Don’t shoot the messenger: conveying bad news and change

How to share news likely to evoke strong responses from employees

BY BILL QUIRKE

In this extract from the forthcoming new edition of his book, *Making the Connections – Using internal communication to turn strategy into action*, leadership expert Bill Quirke looks at the issues surrounding the communication of bad news, as well as how people respond to change. He also suggests methods that can be employed to make the process more transparent and less traumatic for all concerned.

Andy Grove, co-founder of Intel Corporation, gave sound advice when he said, “The worse the news, the more effort should go into communicating it.”

While bad news for an organization can mean the multimillion-pound pay-off of a departing chief executive, bad news usually means bad news for employees.

However, there’s a wide range of different types of bad news:
- Closures – where particular locations, branches or plants are closed down.
- Headcount reductions, right-sizing and lay-offs – where the number of people in the workforce are reduced, redistributed, transferred or outsourced.
- Downturn – where there’s a downturn in the market, an increase in competition or stagnation in the economy.
- Cancellation of orders or projects, a loss of clients or key accounts – usually with negative implications for people who’ve been working on them, or have expected to work on them.
- Resignations, particularly for senior management – or firings of senior management for poor performance, lack of cultural fit or unacceptable behavior.

**Issues arising as a result of bad news**

With all these different types of bad news come a wide range of issues:
- Uncertainty – not all the details are clear and it’s not even clear when they will be. There’s no agreed version of events, and issues which may affect the organization are outside its control.
- Confidentiality – there’s material information which can’t be disclosed, either because of agreement with commercial third parties, or because there’s a strict sequence of information and consultation as with unions, works councils, shareholders and regulators.
- Timing – there are interdependencies with other plans, a clash of timing with other changes, or there’s a need to consult with different stakeholders in sequence, which means uncertainty is likely to continue for some time.
- Leaks – grapevines are not only very active, they can be very accurate. With the rise of industry chat sites, and the extension of the grapevine from the water cooler to e-mail and chat room, the likelihood of keeping something quiet for too long is low.
- Divisiveness – some employees are likely to be more affected than others, and as rumors spread, employees can rapidly divide into
different camps, with different views and very different emotional reactions.

Dealing with such complex and emotionally charged situations can’t be done with a “one size fits all” approach. However, the following section offers some areas to consider when communicating bad news.

**Build your radar**

There are some changes, which hit organizations, which are unpredictable and unexpected. The majority, however, have usually been within the organization’s control, and in the works for some time. Organizations often make it harder for themselves by waiting until they think they have something to communicate, before starting to think how they will communicate. This is almost always a mistake.

The key first step is to build a radar of what changes are coming, and even if they’re only possibilities, what’s the probability that they will actually happen?

The “radar” may simply be a list of possible initiatives, regulatory changes and possible restructurings. The point is to get out ahead of simply being the victim of circumstance and to develop scenarios about what might happen. This is something organizations tend to do with crisis preparedness, issue management and disaster recovery. They need only apply the same disciplines to the forward planning of internal communication.

It’s useful to have a forward view of different initiatives and likely impacts, and the inter-relationship between those initiatives – what happens for example if there’s a regulatory change requiring more detailed work and more robust processes, at precisely the time we’re thinking of downsizing?

The radar should also give you some idea for each initiative of who’s going to be affected and how? How might those different parts of the organization react?

As well as providing some sensible forward planning, this usually forces senior managers to put themselves in the shoes of audiences and see it from their point of view, which is itself a useful discipline.

**Start planning immediately**

Organizations often wait until everything is clear before wanting to communicate.

When there’s a great deal of uncertainty about what’s happening or what may happen, this is a luxury few organizations can afford. If you wait until everything is clear, you’ll probably be too late. It’s better to begin communicating as soon as you can, and to be proactive rather than find yourself reacting to rumor.

There’s always something to communicate. Bad news doesn’t spring out of nowhere. It’s the consequence of a series of earlier decisions. Even when you don’t know where things are going to end up, you can start communicating how they started, how the organization has started to respond to them and the likely criteria for decision making and options.

If you communicate early, you’ll retain the initiative and build your credibility.

Reactive communication is usually defensive and apologetic, and hands the initiative for communication to third parties.

Therefore, once you’ve built a full view of what is likely to affect your organization over the coming 18 months, it’s important to have a sound internal communication plan that identifies issues, likely impact on audiences and communication plans for addressing it.

It doesn’t matter that some of these may never be implemented. Organizations should be reviewing their communication plan at least quarterly to update likely factors affecting them and to revisit their scenario planning.

As part of the planning process, organizations also need to think through what communication process they’ll actually use to reach their people should they need to. If there’s likely to be a sudden announcement about a merger, for example, does the organization have a “flash” communication channel – by e-mail, voicemail cascade or fax tree, which can help them get to their people rapidly?

Conversely, if there’s going to be a controversial and difficult ruling by a regulator, do we have the face-to-face forums to enable senior managers to explain the intricacies of the issues, to provide the bigger picture and to give their people the story...

**KEY POINTS**

- In this extract from the latest edition of the book *Making the Connections – Using internal communication to turn strategy into action*, author Bill Quirke focuses on the type of bad news an organization may face and the varied associated issues.

- Internal communicators can prepare themselves by creating a forward view of scenarios that could occur and devising means of dealing with each circumstance.

- Communication should begin as early as possible to retain initiative and build trust among employees.

- Employees should be segmented into groups according to how the change will affect them.
behind the story? (See text box on page 27 for advice on preparing managers.)

Mapping your audiences
In any change, communicators need to think through their different audiences, both internal and external. External audiences affected by any particular change will include:
- Customers
- Suppliers
- Prospects
- Shareholders
- Pensioners
- Future employees
- Stakeholders

Internally, employees need to be segmented not just by grade and role or location, but also by how the likely change will affect them.

Communicators have to think through how many employees will be affected and what proportion of the workforce that represents. Often the scale of change gets lost in reaction to a change. What can look like a cataclysm to employees in a local plant, which represents a small proportion of the organization, may be of far less concern to the rest of the workforce.

It’s also important to look at what options and alternatives employees have. For example, the shut down of a plant in a hot labor market where there’s no problem getting another job is clearly less of an issue than closing a location on which the local community depends heavily.

Similarly, organizations which have had significant headcount reduction may feel that after the initial pain they can continue with the survivors in a positive direction. However, in some cases, existing employees have former colleagues for neighbors, so while employees disappear off the organization’s radar screen, they’re all still present at the neighborhood barbeques.

Employees who keep their jobs don’t always feel the unqualified gratitude their bosses think they should. They’re often affected by “survivor syndrome”, the guilt of having escaped while colleagues have lost their jobs.

It’s important to identify which audiences have different likely reactions and needs in order to identify how best to communicate with them.

When organizations are under time pressure, it’s best to put their time and attention in where it’s going to have the greatest impact, and where there’s the greatest need. This is usually with employees who are going to be most affected by changes, and are most concerned about the impact on them.

For employees who are less affected, who are virtually spectators on changes affecting other parts of the organization, there may be less immediate need to put a lot of time and effort into them – unless their very detachment is likely to be a problem in the future.

The approach (illustrated in Figure One, left) looks at stakeholders in two ways – what impact the proposed change is likely to have on them and what their level of initial interest or concern is likely to be. It takes account, not just of those stakeholders who might be concerned about, and object to, the change, but also of those who are mistakenly feeling “fat and happy” about the change. For each box in the grid here is a proposed focus to communication:
- Providing a “wake up” call for those who need to realize that they will be affected.
- Educating and informing those who won’t be directly affected, and therefore don’t need to be concerned.
- Reassuring those who are needlessly concerned.
- Engaging those who are concerned, and who have cause to be.

This allows communicators to direct precious face-to-face communication on to the two priority boxes – “wake up” and “engage”.

Case-study example
In one organization that was merging its global operations, mapping its various employees and locations on this grid highlighted three key employee audiences:
1. Head office staff who were concerned – and rightly so – that they would lose their jobs in head office jobs being merged. This was an audience group you could predict would be concerned. What might not have been predicted were the other two:
2. Employees in locations that duplicated each.

Figure One: A grid to illustrate the suggested approach towards stakeholders in the build-up to imminent change.
other – where both of the parties merging had sites. They believed that their jobs were at risk when, in fact, part of the merger was actually to get more critical mass in some of these locations. They were therefore concerned unnecessarily, and wasted time worrying with each other when there was no need.

3. Salespeople in regional offices, who saw themselves as the backbone of the new organization. In fact, theirs was a product area which the business was going to drop as part of their future strategy. They weren’t concerned, but were living in a fool’s paradise, and were, from the organization’s point of view, “fat and happy”.

A further group at a small production site saw the merger as a good thing.

They felt unthreatened because they didn’t have new colleagues located in their neck of the woods competing for jobs. They felt that life would continue much as before, with a brighter future. They weren’t unduly concerned, and didn’t need to be.

**Offering reassurance in person**

Mapping employees out in this way gave the merged organization a clearer direction to take in communicating with its people.

The chief executive put his time into face-to-face sessions with head office staff.

The emphasis here was on engagement – making the sessions relatively small for the greatest degree of interaction, encouraging people to ask questions and giving them as much information as possible to help them understand the change and the likely implications for their jobs.

Senior management put their time into these sessions because they wanted to signal their commitment to the merger, and their respect for those employees who were going to be most affected by it.

For this audience, the best communication channel was face-to-face. At the end of each session, a summary of the likely changes and the implications on areas such as pensions was produced. This was distributed so that people could go away and reflect on their future options and begin to plan for their own futures.

For those employees who had wrongly been concerned, line manager cascades were used to give them the right information and to reassure them that their future was secure.

Although face-to-face communication was used, had time and resources been more limited, reassurance could have been given by “arms length” channels such as e-mail, intranet or even bulletin boards.

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**DO MANAGERS KNOW WHAT TO DO?**

Before communicating bad news, a manager may benefit from considering the following steps:

1. Clear about the message they’re being asked to communicate – do they know what it is, and can they describe the key messages clearly, succinctly and memorably?
2. Comfortable with the rationale – do they understand why we’ve been driven to take this action, what other options we’ve considered, how we reviewed those options and why we’ve identified this course of action as the right one?
3. Prepared for the meeting – they’ve put time into understanding the overall communication, they can explain how it relates to their people, they can anticipate the questions they’re likely to get and they’re happy that the answers they give are in line with the rest of the organization’s communication.
4. They’ve “stress tested” the message – they’ve looked at it from the most negative viewpoint of the most cynical employee and they feel that where there are objections they’re able to address them.
5. They feel able to talk to a group – they’ve identified the size of group they feel comfortable with, and they feel they can manage both themselves and their own reactions and manage the group and its reactions.

Similarly, for those audiences for whom there was little immediate direct impact, and who simply needed to get information about the changes, media such as newsletter, intranet and email were used effectively.

However, for the employees who were “fat and happy” – unconcerned when they should be – face-to-face communication was used. It was important to be able to paint the broader picture of change in the organization, to unpack the implications of the strategic move to new products, with the likely impact on locations and jobs. It was important to use face-to-face communication, because as soon as people realized what the future might hold, their emotional shift from secure confidence to anxious resentment meant the sessions became more emotionally charged, and people wanted a broader range of questions answered.

In effect, running face-to-face sessions with the “wake up” group shifted them into the “engage” box – people who were now concerned and rightly so.

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