

Leadership Success & Feedback: How to Communicate “Bad News” Effectively? (Part 2)

“You are fired!”

“We cannot accommodate the union’s request on the compensation scheme.”

“You cannot continue in this department.”

“We have to cut your pay.”

In our present climate of economic and political uncertainty, there seems to be more bad than good news. And many times, it is incumbent on the CEOs to communicate bad news to their staff. .

Very often, CEOs have to face up to the cruel realities of life. In fact, as leaders, they have to define reality for those who follow them. Often, employees are so wrapped up with their self-interest that they cannot see the big picture. They are unaware of the changing realities of the economy, of their industry and the ramifications of these uncertainties for their jobs.

Others are so blinded by their own prejudices and performance blind spots that they ignore the facts. As someone said, “I have already made up my mind. Don’t confuse me with the facts!”

It is very normal to agonize over this kind of communication. If we don’t, we are at best indifferent and at worst, masochistic. Nobody likes to do this job. It is both threatening and the situation can even turn ugly. In Asia, one has to deal with the perceived loss of face for the person affected by bad news.

Why are we afraid of communicating bad news? Here are five fears.

1. Fear of being misunderstood
2. Fear of being challenged
3. Fear of emotional outburst
4. Fear of deafening silence
5. Fear of our own incompetence to handle negative response and ugly situation

Communicating bad news is, perhaps, one of the most difficult but necessary tasks of the CEO. It is an art. The good news is that it can be learned!

A. SETTING THE STAGE

1. Avoid Last-minute Surprises - Forewarn and Forecast.

Often, “bad news” is not received well when it comes as a surprise. When staff’s underperformance is not properly tracked or managed, they will be angry knowing that you have been observing them and yet not saying anything about it previously.

Similarly, when dealing with unions, we have to be upfront and candid about probable scenarios and possible cost-cutting measures. This often involves regular dialogue and feedback sessions so that union leaders and members will not be unpleasantly surprised by new decisions and changes.

Procrastination is said to be the deadliest form of denial. And denial will only prolong and aggravate the agony. Sometimes issues need to be nipped in the bud or at least discussed before it is too late.

2. Prepare well – Facts and Emotions

Nothing is worse than entering into a “bad news” conversation without being prepared. Know the facts of the case and the rationale for any new decisions. Study the opponents’ positions and arguments. Understand their justification.

Know what the issues are. Explore all possible options, yours and theirs. Plan the best case and worst case scenarios. As far as possible, the motto should be, “No Surprises.”

Mentally, anticipate any potential emotional outburst. Be prepared for anger, disappointment, and outburst of tears so that as far as possible, you will not be disoriented. This will enable you to remain calm and composed so that you will not be fluttered and able to carry on discussion productively.

3. Create the right atmosphere – Informal and Unhurried

The atmosphere sets the mood for the entire conversation. Usually, an informal atmosphere creates the right ambience for “bad news” communication. Serving coffee and tea loosens up people and makes the conversation more palatable, setting the right tone.

The worse thing that can happen is when we have to rush through issues and leave important concerns unaddressed. A hasty conclusion is worse than not having a conclusion.

4. Declare your intention – Sincerity and Honesty

People often misunderstand our intention, especially when delivering “bad news.” It is important that we communicate our positive intention of why such news has to be communicated. It is not to belittle, embarrass, cause loss of face but really to make the person and the organization better.

B. MANAGING THE CONVERSATION

1. Affirm their contributions

It is important to begin with the positives. A harsh start by accusing, attacking or blaming the situation will certainly put people on the defensive and make them recoil, react, and reload their ammunition to counter-attack. Certainly, there are plus points about others and their contributions. Be sincere about it. It is not buttering them for the kill.

2. Level with them about the issues

Being honest and sincere is a pre-requisite of having a good “bad news” conversation. People can detect your insincerity a mile away. It is a sure way to derail the conversation. As one CEO told me recently, “I lay my cards on the table. Tell it is like it is. They appreciate my honest assessment.” Ask them for their assistance to solve the problems. State the issues and ramifications clearly and precisely.

3. Encourage Self-appraisal

State the case and issues. Ask the staff to appraise themselves. It is important that staff are able to assess themselves. Self-appraisal is usually the best approach to communicating “bad news.”

Then, listen carefully to their perspectives. Clarify, paraphrase to make sure that you understand the facts of the case and their perception of the situation, rightly or wrongly. Acknowledge their perspectives. Acknowledgement does not mean agreement. If we are wrong about the facts, we should apologize.

4. Be concerned about “Face”: Provide a way out

Asians are particularly concerned about ‘face saving’. Allow people a way out when issues cannot be addressed to avoid embarrassing them. Refrain from personal attack. Respect the individual, especially those who are older in age. Avoid sarcasm or innuendos that will derail the conversation. Focusing on blame will not help the situation. Move on to solutions and options.

5. Focus on the Issues

When things get heated, it is very easy to launch into personal attacks. The victim may be abusive and ventilate their emotional angst on the communicator. At this point, being prepared will help. It is best to stay calm by focusing on the issues. Stooping to their level will only aggravate the situation.

6. Generate Options

It is always effective to ask the staff to generate options in the light of the “bad news.” “How do you think this issue ought to be resolved?” If the staff gives monosyllable answer or inappropriate solution, proceed to probe further and ask for more and clearer suggestions.

C. MOVING ON TO THE FUTURE

1. Focus on the Future

Making the call is the role of the CEO. Sometimes, it may mean giving the person a second chance. Other times, it may mean transferring him or her to another department. Still, the best option may be for the person to leave the organization for his or her own and the sake of the company. It does not mean that the person is a bad person but that he or she just cannot perform in the company’s environment. I have seen the same under-performing person doing much better when placed in another environment.

2. Agree to Disagree

If the emotional outburst continues, agree to disagree. There is no point continuing the unpleasant irrational conversation if we are not getting any headway. Stop the conversation, make the point and move on. Agree on the compensation package or make the difficult decision. This is what we call “damage control.”

In conclusion, learn and master the skill of communicating “bad news”. As leaders, we are bound to face this challenge. And it is better to learn this art or face the consequences of more demoralized staff and greater debilitating consequences.

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