

## Apologize For More Profits

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I believe these statements are true:

- We live in an extremely litigious era.
- We live in a time when keeping and motivating employees is an increasingly important business priority.
- We live in a time of intense global competition where keeping customers is an ongoing and increasingly difficult business challenge.

Some people feel “wronged” but never sue. Others sue immediately and aggressively. Some employees get upset and immediately set out to find a new job. Others stay with you in spite of the ups and downs typical of long-term employment relationship. Some customers move to a new provider over the slightest inconsiderate treatment or product problem. Others stay with you even though they weren’t happy about a particular incident and brag about how their concern was addressed.

There are many reasons for these differing outcomes. The biggest variable, however, is how people feel about you. How they feel about you is often predicated on how they think you feel about them. When something goes wrong, they look to see if you care. If the employee or customer perceives that you don’t care, they either get going or get even (or both). In other words, emotions dictate outcomes.

While love may mean “never having to say you’re sorry”, profit requires that you do so. A well crafted and delivered, heartfelt apology will often help you avoid litigation, keep your employees more satisfied and help you compete more successfully in the marketplace.

There are many studies that indicate the power of apology in reducing lawsuits. Daniel O’Connell, Norwest regional coordinator for the Bayer Institute of Health Care Communication says that studies have consistently shown that 70 percent of patients sue primarily because they’re frustrated by hospitals’ and doctors’ behaviors. A University of Michigan study in 1994 showed that only 12 percent of

plaintiffs rejected a pretrial settlement offer accompanied by an apology while 30 percent rejected an offer that did not include one.

As a human resources practitioner, I have seen literally hundreds of employees decide to stay with an employer who apologized to them for some affront. As a customer, I've often forgiven companies that made a mistake if they thought enough of me to apologize and attempt to make it right. When we are treated with respect, we are more willing to forgive the missteps of others.

Most of us recognize the healing power of an apology in our personal lives. Unfortunately, it seems that many organizations do not appropriately use this powerful tool in their business. There are many reasons for this.

The first is that to admit a mistake you must acknowledge that you are fallible. Many organizations negatively consequence (punish or fail to reward) any type, frequency or size of mistake. In these companies, employee's fear that they could lose their job, their standing as a trusted member of the team or their next pay increase if they admit to making a mistake. As a result of this, many people become conditioned to not accept responsibility for a mistake even if it is obvious that one has occurred. Until someone takes responsibility, a heartfelt apology is not possible.

The second reason we don't apologize is that we are afraid of giving a plaintiff's attorney the proof they need to win a suit against us. As such, when a mistake is made, many organizations go into "policy mode". Bland statements concerning the unfortunate outcome are issued but an acknowledgement of accountability is withheld.

I will let attorneys speak to the legal wisdom of this course of action. Practically, however, people often know that they have been wronged and their growing rage is fueled by the fact that we won't admit our mistake, that we apparently don't care about the results of our actions, that we aren't committed to make it better now or in the future or think they are stupid. The resulting unrequited outrage ends more frequently in lawsuits than solutions.

### **Making It Better**

There are several things that you can do to begin to get the full value out of apologies.

First, don't punish people for making occasional mistakes. It is said that one mistake negates one thousand "good jobs." Many employees only hear about their performance when they've made a mistake. If your organization takes this approach, meet with senior managers and decide to act differently going forward. Mistakes are excellent training opportunities and, properly handled, can weld an employee to your organization.

One of my friends made a clerical error some years back and cost his company \$10,000. When called into the CFO's office, he apologized for his mistake profusely and offered to resign. The wise CFO, knowing the value of the employee's ongoing contribution to the company, wouldn't allow it. "How can I allow you to quit," he said, "I've just spent \$10,000 on your education." No further mistakes were made and the employee, who was highly marketable and routinely recruited by competitors never thought of leaving his "home."

Second, tell your employees that they are expected to apologize when they've made a mistake. More importantly, train them how to apologize properly. Teach them to be specific, empathetic (as opposed to pathetic), genuine and proactive. Both your customers and employees will appreciate the honesty, humility and humanity of this approach.

Finally, and most importantly, model this behavior yourself. Many supervisors are able to encourage others to apologize but are unwilling to apologize when they have given offence.

Properly done, the ability to apologize will win employees' and customers' hearts and will promote the openness needed to deal with the root causes of mistakes. Apologies are one of the basic elements of a truly successful organization.

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