



# HOW TO DELIVER BAD NEWS

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## COMMUNICATION STRATEGY

**You plan. You prepare. You have strategies and budgets, goals and expectations. And then things don't go well. Targets are missed. Economic winds change. A client chooses another vendor. Sometimes it's one big thing, other times it's a lot of accumulative little things. However it happens, the end result is more or less the same: things have not gone as expected or hoped, and as a consequence, bad news must be communicated to your employees.**

One common result after delivering bad news is loss of employee engagement and a subsequent drop in productivity. Studies have shown that unengaged employees may cost a company up to 17% of their productivity, and 21% of their profitability.<sup>1</sup> However, with the right communication strategy you may be able to avoid some of the biggest pitfalls that come with delivering bad news and keep your organization moving forward through the changes.

# COMMUNICATION STRATEGY

**1 As much as possible, present the reasoning behind the strategy for changes and focus on the path forward.** Discuss what is being done to improve the situation or to prevent it from spiraling further. Along with any changes in an individual's day-to-day role and responsibilities, help your employees see the bigger picture and how their roles remain critical and vital to the company's success.

**2 Be honest and direct.** You likely hired your employees because they are intelligent and competent. They likely have some understanding of how the company works and will likely know if you share reasons that don't make any sense or don't align with their view of the company's operations. If the story being told from above is different from the rumors bubbling up from the water cooler, employees are going to experience confusion and uncertainty, likely resulting in lost productivity.

**3 Don't blame or straw man individual contributors or managers.** Unless a single employee has embezzled millions of dollars, stolen all your company's IP and escaped to a non-extraditing foreign country, it is very likely that whatever has gone wrong is not one individual's fault.

**4 Make sure managers are all telling the same story.** Likely, leaders are as stressed and impacted by these changes as any desk level employee, so it's important to ensure managers and other key leaders feel informed and empowered to communicate the company's message. Chaos has a trickledown effect. The more leaders are unable to give direction, the more it will seem like the company has no direction. A company that is unable to state their direction or path forward is likely a company that won't be around long. Employees are attuned to this and many will look first to their own careers. To avoid a mass exodus, make sure leaders are empowered to lead.

**5 Keep it business as usual. Get everyone back to work and focused on their tasks.** Whatever has happened, it's very likely the business needs to continue to operate. You don't want a piece of moderately bad news causing such a disruption that the business grinds to a halt. Losing one large client might be temporarily tough but losing several large clients because employees don't have hope and no longer bring a strong level of effort to the table will ultimately spell doom.

**You can't always guarantee that everything will go according plan. The only thing you can control is how you respond to a situation. By providing strong guidance to your managers and employees, you can ensure that business continues running smoothly, even after a disruption.**

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