

Should Leaders Apologize for Mistakes? (Obama: 'I Screwed Up')

2/12/2009

By Maria Williams

When Tom Daschle removed himself from consideration as secretary of Health and Human Services on Feb. 3 amid a tax scandal, President Barack Obama didn't hide from taking full responsibility for having backed him. His remarks, from an interview with CNN's Anderson Cooper:

"Look, ultimately, I campaigned on changing Washington and bottom-up politics. And I don't want to send a message to the American people that there are two sets of standards—one for powerful people and one for ordinary folks who are working every day and paying their taxes.

"Well, I think this was a mistake. I think I screwed up. I take responsibility for it—and we're going to make sure we fix it so it doesn't happen again."

It was a striking moment: an unequivocal public apology by an American president. But was it politically wise? And what useful parallels might Obama's situation have to the business world?

With possible parallels in mind, SHRM online posed a few further questions to experts in public relations and business ethics, including the following: Can CEOs ever make public apologies for wrongdoing or serious "mistakes" by their companies, without hurting their companies? If so, what are the key factors to consider before making such an apology? How transparent can companies afford to be when they're having difficulties? And are PR and business ethics always somewhat at odds during a crisis?

Obama's Apology: Smart or Foolish?

All of the experts agreed that a sincere, properly timed public apology from a leader is a very good move and that Obama handled it well.

"The president demonstrated leadership by recognizing that this was a leadership mistake that was jeopardizing his credibility with respect to valuing ethics," said Brian Moriarty, associate director for communications, Business Roundtable Institute for Corporate Ethics. "To paraphrase President Truman, this was a 'responsibility starts here' admission that was communicated not only by his words but also by President Obama's apparent lack of animosity toward Senator Daschle. In each of the interviews, the president communicated the same tone and message."

David Ulrich—partner and co-founder of The RBL Group and a professor of business at the Ross School of Business, University of Michigan—concurred: Obama's apology "was timely, candid, accountable and sincere. He might have expressed more on learning." The "learning" piece is one of the four components Ulrich sees as key to an ideal apology:

1. "I'm sorry ... we made a mistake." (Be "direct and to the point.")
2. "Here is what I [we] did wrong ..." (Briefly recount the mistake or wrongdoing.)
3. "Here is what we learned ..."
4. "Here is what we will do in the future ..."

Karen Taylor Bass—PR professional and author of the book *You Want Caviar, But Have Money For Chitlins: A Smart Do-It-Yourself PR Guide for Those on a Budget*—sees a direct

parallel between Obama's situation and business world crises. She believes that American presidents and CEOs should be "subjected to transparency for the greater good of governing and mobilizing their respective constituents."

Dov Seidman—founder, CEO, and chair of LRN, a consulting organization centered on ethics and compliance management and education—noted that "President Obama showed he understands the new leadership habits that are needed in our more connected and transparent world when he said, 'That's part of the era of responsibility. [It's] not never making mistakes, it's owning up to them.' "

Leadership Means ... Sometimes Having to Say You're Sorry

Regarding the finer points of framing public apologies, the experts had the following observations:

Ulrich emphasized the need for the leader to take responsibility and to strike just the right chord. "The apology has to match the error; don't overstate the mistake or prolong the apology or understate the mistake and be superficial in the apology," he said. He cited Johnson & Johnson's response to the Tylenol scare in 1982 (Tylenol pills laced with cyanide) as one famous example of a particularly successful, adept and transparent handling of a crisis.

Moriarty suggests that leaders view crisis as "an opportunity to demonstrate that their organizational values are something that informs their decisions, and not just words on paper." Crisis is a time for reflection, he said: "Leaders addressing mistakes or wrongdoing should ask themselves: How do our company values speak to this issue? How can we better embody these values in policies in order to prevent something similar from happening at our organization in the future?"

Moriarty's tips for framing an apology emphasize the need for taking special care in conveying an "accurate account of the situation." He noted that "if people sense that the organization is covering up or not telling the whole story, they will begin to wonder if the problem is 'a few bad apples' or if it is the 'whole barrel.'"

Karen Taylor Bass believes that public apologies by leaders in times of crisis are "always advisable." However, she cautions that good in-house coordination is necessary to ensure that the leader's apology isn't negated by other messages. "Response is key," she says. "However, make certain the entire team is on message," she says. "The moment someone on the team is privy to a calamity on the rise, it's time to go on offense" by getting a message out.

Let the Emperor Shed His Clothes

Ulrich believes that "in general, transparency is the right thing to do." He cited transparency's benefits:

"helping avoid potential future problems because employees know they will be publicly accountable for their actions."

"building trust not that there are mistakes, but that they are being identified and worked on."

"creating a 'wisdom of crowds' mentality that others may help to solve the problem."

"allowing others to forgive and move on." ("When the unspeakable becomes speakable and spoken about, it can generally be resolved. When it stays unspeakable, it festers and gnaws and grows.")

In an anecdote, Ulrich showed how daring transparency can work to a company's

advantage: "One company leader, when inviting a customer to training to talk about challenges in the company, was worried about 'opening the kimono' and sharing problems with the customer. The customer said to the leader, "we know you have problems, we use your products. We want to attend workshops where we can help solve them.' "

Seidman pointed to medicine as an example of an entire industry that is beginning to reap real rewards—both in terms of better care for patients and savings in lawsuits—by transforming its culture to one of greater transparency. According to a New York Times article published last spring, "Despite some projections that disclosure would prompt a flood of lawsuits, hospitals are reporting decreases in their caseloads and savings in legal costs. ... At the University of Michigan Health System, one of the first to experiment with full disclosure, existing claims and lawsuits dropped to 83 in August 2007 from 262 in August 2001. ... The number of malpractice filings against the University of Illinois has dropped by half since it started its program just over two years ago." Seidman observed that more freedom to acknowledge errors is giving doctors "greater opportunities to explore what went wrong and devise innovative solutions to prevent future occurrences."

PR and Business Ethics: A Solid Match?

Moriarty believes that "public relations, when practiced well, is closely aligned to business ethics." He sees ways that PR can be an important "interactive" tool for conducting outreach to stakeholders "inside and outside of the firm." He goes on to note that such outreach is "a potential antidote to the dangers of groupthink that can blind an organization to its own shortcomings." With this corrective role in mind, he believes PR can help leadership:

"understand the values and interests of the firm's stakeholders."

"identify social changes likely to impact the business—and the opportunities and challenges this may present."

"play a proactive role in taking real actions that build public trust and create value for stakeholders."

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