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THE BIG IDEA

The Organizational Apology

A step-by-step guide

by Maurice E. Schweitzer, Alison Wood Brooks, and Adam D. Galinsky

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I'm sorry.

**We're very sorry
if anyone was
offended...**

**Please accept
our apology!**

Dang!

**We regret any
inconvenience
this may have
caused...**

Ummm...



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The *Washington Post* called it “creepy.” The *Atlantic* said it “might have been illegal.” One privacy advocate wondered if it could have made people suicidal.

Those were just some of the reactions to the disclosure, in June 2014, that Facebook had allowed academic researchers to manipulate the news feeds of 689,000 users for one week. The experiment, in which half of the users saw fewer positive posts than usual and the other half saw fewer negative ones than usual, was designed to determine whether the changes would cause people to write more positive or negative posts themselves. In fact, the researchers did find evidence of “emotional contagion” and published the results in a prestigious scientific journal. But their findings were eclipsed by the public outcry.

Shortly after the story broke, the lead researcher issued a statement saying that he and his colleagues were sorry for the anxiety their work had caused. But Facebook defended its actions for days, explaining that the boilerplate language in its 9,000-word user agreement constituted informed consent. Nearly a week elapsed before the company’s chief operating officer offered a half-hearted apology for “poorly communicating” about the study. Three months later, the chief technology officer issued another statement, saying Facebook had been “unprepared for the reaction,” conceding, “there are things we should have done differently,” and articulating new research guidelines. Still, he avoided the words “sorry” and “apologize.”

In this episode, Facebook erred in two ways: First, it violated users’ trust. Second, it compounded the

problem with an awkward, three-step, not-very-congruent apology.

Scenarios like this are all too common. At some point, every company makes a mistake that requires an apology—to an individual; a group of customers, employees, or business partners; or the public at large. And more often than not, organizations and their leaders fail to apologize effectively, if at all, which can severely damage their relationships with stakeholders and their reputations, especially if the incidents become public (and publicized).

Companies need clear guidelines for determining whether a misstep merits an apology and, when it does, how to deliver the message. In this article, we present an apology formula, drawn from our work and research in management and psychology, that provides a diagnostic and practical guidance on the who, what, where, when, and how of an effective apology. The bottom line for serious transgressions: Senior leaders must immediately express candor, remorse, and a commitment to change in a high-profile setting—and make it sincere.

The Apology Dilemma

Let’s recognize two facts about apologies at the outset: First, we are psychologically predisposed to find reasons (or excuses) to delay or avoid saying we’re sorry. Apologizing feels uncomfortable and risky. There’s a loss of power or face involved—it rearranges the status hierarchy and makes us beholden, at least temporarily, to the other party. That doesn’t feel good. So it’s no wonder people try to avoid dwelling on or drawing attention to mistakes and that when one is pointed out, they get defensive, arguing their side of the story and shifting blame to others.

Apologies are even more difficult in an organizational context. When considering whether and how to apologize, even seasoned leaders can become gripped by indecision. That’s understandable. A company mistake is often caused by a single division or employee, and a bad situation is frequently made worse by events beyond its control. It can feel unjust for a CEO or an entire organization to have to take responsibility.

Second, companies have a strong tendency to evaluate the situation through a legal lens. Corporate counsel may fixate on whether any laws were broken and warn managers that an apology might be construed as an admission of liability (possibly

Idea in Brief

THE PROBLEM

Organizations often struggle to get apologies right. Many leaders fear that an apology could expose their firm to legal action; others offer a cursory “I’m sorry” without addressing victims’ concerns. Bungling an apology is costly, resulting in damaged reputations and relationships.

THE SOLUTION

Companies need clearer guidelines for determining whether a mistake merits an apology and, when it does, for crafting and delivering an effective message.

THE FORMULA

Ask four questions: Was there a violation? Was it core to our promise or mission? How will the public react? Are we committed to change? Then think carefully about the who, what, where, when, and how of executing the apology.

exposing the company to litigation) rather than as an effort to empathize with the wronged party. This is an important distinction, because effective apologies address the recipients’ feelings—they don’t prove a point. Unfortunately, a litigious perspective has become ingrained in many organizations: Even a leader who isn’t actively consulting with an attorney may worry that an apology could create legal problems.

Companies need to stop thinking this way. Most apologies are low cost—and many create substantial value. They can help defuse a tense situation, and fears of litigation are often unfounded. Consider health care providers. For many years, medical professionals were advised not to apologize when they made mistakes that hurt or even killed patients, because doing so might make the hospital vulnerable to a malpractice lawsuit. But research has revealed that when some hospitals began allowing doctors to offer apologies to patients and families, or even made apologizing mandatory, the likelihood of litigation was *reduced*.

Should You Apologize?

If a company is debating whether or not to apologize, managers should consider the nature and severity of the violation and the costs and benefits of offering an apology. Four questions can help determine if an apology is necessary.

1. Was there a violation, whether real or perceived? When a company apologizes, it accepts full or partial blame for causing harm. So it needs to first determine whether a violation has in fact occurred and if so, whether the company is responsible. But here’s the tricky part—this needs to be done quickly and perceptions of responsibility matter.

Consider the crisis Coca-Cola faced in 1999. It began on June 8, when a schoolboy in Belgium

reported feeling ill after drinking a Coke. Within days, hundreds of people had attributed fevers, dizziness, and nausea to Coca-Cola beverages, and many made their way to hospitals. At first, the company insisted that its products did not pose a health risk and that bad carbon dioxide at a plant in Antwerp had triggered unnecessary alarm. CEO M. Douglas Ivester, hoping that the crisis would “blow over,” said that he’d decided to “take a lower profile on this.” But by the end of the week, the company was forced to remove more than 50 million

DO

CONVEY REMORSE

“Today’s GM will do the right thing. That begins with my sincere apologies to... the families and friends [of those] who lost their lives or were injured. I am deeply sorry.”

MARY BARRA, CEO, GM,
in 2014 testimony to the U.S. Congress in the
wake of the company’s ignition-switch recall

beverages from the shelves in France, Germany, and Belgium. Finally, more than a week after the first incident, Ivester said publicly that he and his executives “deeply regret any problems encountered by our European consumers.”

If we put ourselves in Ivester’s shoes, we can easily understand why Coca-Cola might have had trouble making a quick decision about whether to apologize. First, we’d all prefer to see the results of

an internal investigation and understand exactly what caused the bad outcome—and how to prevent it from happening again—before making any statements. Second, we’d be just as likely to hope that the issue would fade from attention. And third, we’d probably feel defensive and that we’d been unfairly blamed. The senior executives at Coca-Cola honestly believed that the reported health concerns were exaggerated and that many of the complaints had nothing to do with their products.

DON'T

BE TONE DEAF

“We’re sorry for the massive disruption it’s caused to [people’s] lives. There’s no one who wants this thing over more than I do. I’d like my life back.”

TONY HAYWARD, THEN CEO, BP,
in 2010 after a rig explosion caused the
biggest oil spill in U.S. history

But companies must overcome the tendency to wait, to keep a low profile, or to argue the facts. Instead, leaders should consider others’ perceptions of the potential violation and move swiftly to address them. An apology enables an executive to express concern and convey the organization’s values—even as an investigation into exactly what happened and who was responsible unfolds.

As we make the apology decision, we need to consider the “psychological contract”—the expectations customers, employees, business partners, or other stakeholders have about an organization’s responsibilities and what is right or fair. This often extends well beyond any explicit contract. To understand those expectations, managers have to imagine the situation from different vantage points.

Consider Mattel’s launch of Hello Barbie, a doll that records and uploads conversations to Mattel online so that it can make personalized responses. Mattel thought that the doll’s ability to remember a child’s name and preferences would be a unique selling point, but critics quickly voiced privacy concerns. Mattel never intended to cause harm, but consumers’ perceptions of an “eavesdropping

Barbie” were so negative that it was forced to offer public reassurances to customers that Mattel was committed to safety and security. Presumably, leaders could have predicted that a toy that recorded children’s play and uploaded it to the company would raise flags. In the Facebook situation, had the company considered the perspectives of its stakeholders before launching its emotion manipulation study, it might have avoided much of the fallout. And Coca-Cola should have known that even the perception of health concerns related to its products should be addressed immediately.

2. Was the violation core or noncore?

Certain activities and responsibilities are central to a company’s products, services, and mission. Other responsibilities are peripheral or less consequential. If an automaker’s vehicles contain a flaw that imperils drivers’ safety or a restaurant’s diners suffer food poisoning, those are core violations. When the accounting firm Arthur Andersen certified Enron’s financial statements and failed to expose the company’s massive fraud, it violated its core responsibility.

Other violations might involve a business function that’s outside the company’s operational core. For instance, Apple and other companies have been criticized for using transfer pricing and other financial tools to minimize their tax bills—a practice that offends people who see paying taxes as a civic duty. Although it constitutes a violation for at least some of their consumers, it is not core, because tax accounting is not those companies’ central activity.

Core violations pose a fundamental threat to the mission of the organization. Therefore, a robust apology is critical—and a botched one can cause significant damage. A company that has committed a noncore violation has greater flexibility, though an apology may still be warranted or beneficial.

3. How will the public react? Sometimes violations that harm only a single person or a small group can remain private matters. But remember, thanks to Twitter, Instagram, Yelp, Facebook, and other social media outlets, a single customer complaint can easily go viral and influence the perceptions of millions of potential customers. Even the smallest transgressions can blow up into epic (and costly) public relations nightmares.

Consider what happened to United Airlines in 2008. The company allegedly damaged a Canadian



Sorry, Not Sorry

The Power of Being Unapologetic

Sometimes an unapologetic stance makes sense. Consider these examples:

- John Chambers, the former CEO of Cisco, was criticized for how he handled innovation at the company. He assembled teams to create small start-up companies that Cisco would later buy at predetermined prices—a practice that made some employees very wealthy and others extremely resentful. But Chambers wouldn't apologize, because he had a message to send: Innovation was more important to him than equitable pay.
- Although fast-food giant McDonald's has responded to concerns about the nutritional content of its food with more-healthy menus and smaller portion sizes, it took a new stance in a recent marketing campaign. Its ads unapologetically promote the Big Mac as "not Greek yogurt" and as a sandwich that "will never be kale."

When leaders and corporations embrace their values and identity—unapologetically—they stand to gain credibility and power.

singer's guitar during a flight from Halifax to Nebraska and then subjected him to a Kafkaesque customer service experience. In the pre-internet era, the public would probably never have learned about the incident. Social media has changed that: In this case, the frustrated singer wrote a song called "United Breaks Guitars" and posted a video of it on YouTube. It became a sensation, with nearly 15,000 views its first day and more than 14 million since. Eventually, Rob Bradford, United's managing director of customer solutions, telephoned the singer and apologized directly; he also asked if the airline could use the video to help improve its customer service.

In gauging the probable reaction to an incident, companies should take into account the relative size and status of the parties. A violation committed by a large, powerful, or high-status organization (such as United, Google, Walmart, or the U.S. government) against a low-status, low-power person or group is more likely to engender public outrage—and require an apology—than a violation committed by a mom-and-pop business or one that hurts only wealthy individuals or corporations.

4. Is the company willing to commit to change? In assessing whether or not to apologize, organizational leaders must also focus on the extent to which they are willing—and able—to change the company's behavior. If they can't or don't want to do things differently in the future, the case for making an apology is weak, because it will sound hollow and unconvincing.

When Target and Home Depot suffered cybersecurity breaches that exposed customers' credit card information to hackers, the companies' apologies would have been ineffective without promises to institute procedures to prevent a recurrence. (For a look at instances when it makes sense for companies to stand firm in the face of perceived harm, see the sidebar "'Sorry, Not Sorry': The Power of Being Unapologetic.")

Sometimes managers become so focused on their new course of action that they forget to apologize. That's a mistake; without a show of remorse, people are likely to think you're whitewashing the violation.

The Apology Formula: The Right Way to Apologize

Once a company has decided that it should apologize, it has to do it right. It's astonishing how many well-intentioned, sophisticated organizations completely

botch apologies. While a good apology can restore balance or even improve relationships, a bad apology can make things much worse. As a framework for getting it right, companies need to think carefully about who, what, where, when, and how.

Who. The more serious and the more core the violation, the more necessary it becomes that a senior leader—up to and including the CEO—make the apology. In cases where there is a clear transgressor—an employee who made the mistake—there may be merit in involving that person. But if he or she isn't sufficiently senior, you risk offending the wronged party or the public by conveying that you are not taking the violation seriously. Just as it's better to be overdressed than underdressed, when in doubt, you should err on the side of having a senior executive offer the apology.

For example, Target released a statement from then-CEO Gregg Steinhafel the day after its security

DO**SHOW CANDOR**

“We’ve been doing a terrible job...meeting demand for our products...We suck at this. I suck at this. I apologize to all of you....”

MIN LIANG-TAN, CEO, RAZER,
after missing the April 2014 shipping date for its gaming laptop

breach came to light. When a plane full of JetBlue passengers was stranded on a runway for eight hours, it was then-COO Rob Maruster who issued the apology on YouTube.

Deciding who should receive the apology is often straightforward—although companies can slip up here too. Consider the video that Chip Wilson, the founder of Lululemon, released during the furor over an interview in which he had said that his brand’s yoga pants weren’t suitable for some bodies. His “I’m sorry to have put you all through this” was addressed to employees, not customers, and was roundly criticized. Effective apologies are delivered directly to the person or people harmed. When that group is large and diffuse, the organization might want to offer an “open” apology through the press or social media.

What. This is the substance of the apology—the words you say and the actions you take. It’s important to keep three goals in mind: candor, remorse, and a commitment to change.

The best apologies show *candor*. They leave no room for equivocation or misinterpretation, and they make absolutely clear that the organization acknowledges both the harm that was caused and its own responsibility. Consider the candid apology Razer’s CEO gave after severe delays for preorders of the company’s Blade laptop in 2014. “We’ve been doing a terrible job anticipating and meeting demand for our products...We suck at this. I suck at this. I apologize to all of you who have had to wait for ages each time we launch a new product.”

Organizations should never sound defensive or as if they’re trying to justify a violation. However, explanations and information can help. For instance, an airline’s apology for a mechanical delay is more effective if the airline explains exactly what part is broken, what’s being done to fix it, how much time it will take, and why the issue will pose no safety risk once fixed. Military condolence letters—a form of institutional apology—routinely offer details regarding the circumstances of the mission on which the soldier was killed. After receiving some information, those affected have a greater appreciation for the broader context and the institution’s perspective.

Effective apologies also express *remorse*. We’ve criticized Facebook’s handling of the emotion manipulation study, but in 2006, when users were upset by the company’s just-launched News Feed feature, CEO Mark Zuckerberg offered a pitch-perfect apology. “We really messed this one up,” his written statement began. He went on to use phrases like “bad job,” “errors,” “we missed this point,” “big mistake,” and “I’m sorry.” He even thanked groups that had formed to protest. “Even though I wish I hadn’t made so many of you angry, I am glad we got to hear you.” His choice of words was remorseful and self-abasing—and effective.

The third key ingredient is demonstrating a *commitment to change*. An apology should create distance from the “old self” that committed the violation and establish a “new self” that will not engage in similar behavior. Sometimes the employee responsible for an error is fired. Sometimes, as in the Target and Home Depot security breaches, new procedures are put in place. Organizations might also demonstrate a seriousness of purpose by appointing an independent authority to investigate the incident and recommend changes—and pledging to implement the recommendations.

Consider how the Vancouver Taxi Association responded in 2014 after a cab driver left a mother and her sick child on the side of the road after he realized that they intended to pay for their ride from a local hospital to the airport with a hospital-issued taxi voucher, which he didn’t believe his cab company would accept. (In fact it would.) Not only did the taxi association express remorse for the incident, it demonstrated a commitment to change by suspending the driver and instituting a clear policy instructing all cabs to accept all vouchers from local hospitals at all times.

Now let's consider an apology that lacked the three "what" elements: candor, remorse, and a commitment to change. In 2009, Goldman Sachs CEO Lloyd Blankfein issued a vague apology for unspecified acts by the financial industry that led to the Great Recession. His language was roundly criticized. As the *New York Times* editorialized, "His remarks do not come close to an apology...since he never actually said what he was sorry for...or to whom he was apologizing." Nor did he explain how the bank would change its behavior.

Blankfein learned his lesson, however. After this very public rebuke, he held another press conference, in which he admitted that Goldman had participated "in things that were clearly wrong and we have reasons to regret and apologize for." The firm pledged \$500 million to help small businesses recover from the recession. This apology was far more candid, expressed remorse, and demonstrated a commitment to change.

Where. If a company wants to control the coverage of an apology, the setting can determine how loud—and widely heard—the message will be. Organizations often default to written statements that reach a broad audience, especially when they're published in newspapers. Target did this following its security breach, as did News International after some of its newspapers were found to have illegally hacked phones. For a more personal touch, the CEO or another executive might videotape an on-camera statement, as JetBlue's Maruster did. A live statement, with or without an audience, increases the perceived importance of the apology. In some instances, it may even make sense for leaders to travel to the place where the violation happened—a crash site, the location of an industrial accident, and so

on. This not only provides a camera-ready backdrop, but also it shows that the executive cares enough to view the damage firsthand and apologize to victims in person. For example, when a Southwest Airlines flight overshot the runway at Chicago's Midway Airport in 2005, killing a six-year-old boy and injuring others, CEO Gary Kelly immediately flew to Chicago, visited the hospital, held a press conference, and offered several apologies, winning high marks for sensitivity.

Managers should realize, however, that there are risks to this approach. A live, on-site apology puts a leader in an uncontrolled environment. Apologizing to victims face-to-face can be effective if they accept the apology—but if they don't, the event could turn into a public confrontation. Sometimes public apologies come off as publicity stunts. Social media has changed the calculus for choosing where to make an apology, since now a company's written statement can be shared and retweeted, reaching many more people than would typically see an address on the evening news.

When. A good apology arrives quickly. Speed signals sincerity and dispels the idea that executives feel uncertainty or ambiguity about their responsibility. Sometimes, companies delay apologies for good reasons, such as Coke's desire, in 1999, to investigate customers' health concerns and their root cause. Facebook's intention to present a fully-formed plan to show its commitment to change appears to have been one factor in its slow apology for the emotion-manipulation study. The desire to be cautious is reasonable, but we believe that it's better to offer a quick "placeholder" apology than to be silent. "While we're still gathering the facts to understand exactly what took place, we want our customers and employees to know that we apologize for any harm we have caused. Know that we are developing plans to ensure that this doesn't happen again. We will follow up by the end of the week with details."

While speedy apologies are preferable, the window of opportunity for apologizing never completely closes, and for many victims a belated apology is better than none at all. Consider the well-received statement made by GM's Mary Barra after the company's 2014 recall of faulty ignition switches—a problem the company had known about, but not acted on, for 10 years: "Today's GM will do the right thing...I am deeply sorry." Barra

DON'T

ADDRESS THE WRONG VICTIM

"I'm sad for the people of LuluLemon who...had to face the brunt of my actions. I'm sorry to have put you all through this."

CHIP WILSON, FOUNDER, LULULEMON, in 2013, after blaming his company's see-through yoga pants fiasco on the women who wear them

DO**GET THE MESSAGE OUT**

**“You count on us at JetBlue...
and we know we let some
of you down...and for that
we are truly sorry.”**

ROB MARUSTER, THEN-COO, JETBLUE,
in a 2011 YouTube apology to
passengers who'd been stranded on
a tarmac for nearly eight hours

also told employees that the violation was “unacceptable”; 15 leaders deemed responsible for the cover-up were let go. If a previous CEO decided not to offer an apology for a violation but the new CEO believes one is warranted, the organization should make one regardless of the time lag.

How. The way an apology is delivered can matter just as much as the content of the apology. Informal language and personal communication can help. Recall Zuckerberg’s use of the phrase “We really messed this one up.”

Or consider what happened when DiGiorno pizza used the hashtag #WhyIStayed to promote its pizzas, not realizing that the tag was already being used by women to share their experiences of abuse. The company not only deleted its initial tweet but also followed it with another: “A million apologies. Did not read what the hashtag was about before posting.” It sent direct tweets to every person who had expressed outrage: “@ejbrooks It was. And I couldn’t be more sorry for it, Emma. Please accept my deepest apologies.”

Written statements have the benefit of being broadcast quickly, but it is often easier to strike the right tone through speech. A leader can rely on non-verbal cues to convey emotion, humility, and empathy. For example, remorse can be shown through facial expressions, and a commitment to change reinforced through vigorous gestures.

But in-person apologies are tricky to master. It can be difficult for business leaders accustomed to displaying power and self-confidence to strike the

right repentant tone. For some, it may require careful planning and rehearsal. One glaring example of a leader who got the “how” of his apology wrong is Tony Hayward, then-CEO of BP. During the catastrophic Deepwater Horizon oil spill, in the Gulf of Mexico, he delivered the following apology: “We’re sorry for the massive disruption it’s caused to [people’s] lives. There’s no one who wants this thing over more than I do. I’d like my life back.” It was a strikingly tone-deaf remark, one that illustrates the danger of an off-the-cuff or improvised apology. (Hayward resigned a few weeks later.)

Preparing to Apologize

As a general rule, the more central to the mission of the company the violation is and the more people it affects, the more important it is that the apology be pitch-perfect. For core violations, the “what” has to show a tremendous commitment to change, the “who” has to be senior leaders, the “when” has to be fast, the “where” has to be high profile, and the “how” must be deeply sincere and demonstrate empathy.

There are some industries that apologize so frequently that they have the practice down to a science. Restaurants inevitably make mistakes—taking an order incorrectly, preparing the wrong dish, miscalculating the bill—and diners have come to expect a quick visit and an apology from the manager, along with a small offering (often a free dessert) as a consolation. When a Ritz-Carlton hotel failed to deliver a wake-up call at the appointed hour, causing a guest to run late for an important meeting, the front desk manager immediately apologized and offered to send up a complimentary breakfast. When the guest returned that evening, she found a handwritten apology from the general manager, fresh strawberries, dried fruit, and candy. Rather than lambaste the hotel, she raved to her friends about the five-star service she received.

It’s imperative to give forethought to the kinds of events that will create the need for an organizational apology and how it will be executed. We recommend role-playing and “apology rehearsals.” Making these investments is not strictly about damage control: A well-executed apology can improve relationships with customers, employees, and the public, leaving the company better positioned than it was before the error. That’s an outcome to which every leader should aspire. ♥

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