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“MAD AS HELL” AT
“GREED IS GOOD”

ROBERT J. BIES AND THOMAS M. TRIPP

One of the greatest morality tales ever shown on the silver screen, *Wall Street*, has a most memorable scene that still rings true today. That scene was the (in)famous “Greed is Good” speech given by Gordon Gekko to the shareholders of Teldar Paper:

“Greed is right. Greed works. Greed clarifies, cuts through, and captures the essence of the evolutionary spirit.

Greed, in all of its forms—greed for life, for money, for love, knowledge—has marked the upward surge of mankind.

And greed—you mark my words—will not only save Teldar Paper, but that other malfunctioning corporation called the USA.”

That speech could be viewed as the marching orders not just of Wall Street, but for so many other corporations here in the United States and abroad over the past quarter century in this era of seemingly unlimited economic growth.

This obsession with greed led some leaders down a road towards reckless choices. In so doing, those leaders celebrated a culture of excess rather than the culture of success. Money, celebrity, and self-absorption became the standards for exaltation rather than honesty, integrity, and commitment to a greater good.

But, now the chickens have come home to roost. And we are all paying for it—*literally!* There are daily, if not hourly, reports of bad economic and financial news. The Internet and blogs amplify the news of failures and scandals drawn right out the Gordon Gekko playbook (e.g. Bernard Madoff ponzi scheme). These failed plays, implemented by leaders across all industry sectors and around the world, have created a harsh reality in which employees are rightfully worried about their way of life and their children’s futures.

And, even as we work our way out of these difficult times, leaders will have to reckon with the anger of their employees—and of the Congress and the public at large. With a nod of the hat to Charles Dickens, these are worst of times—and the very worst of times for leaders.

As things have continued to get worse (before they get better), a powerful social force has been unleashed. You can see it, you can feel it, and you can read about it. People are angry, really angry. Actually, people have been angry for some time, but the recent headlines have stoked this anger, not just here in the United States but also abroad.

“**Obscene**” was the headline in the British newspaper, *Daily Express*. The headline referred to the actions of Sir Fred Goodwin, former CEO of Royal Bank of Scotland (RBS). RBS lost \$34.2 billion in 2008, and as Goodwin was being forced out, he negotiated a pension in the amount of \$980,000 per year... *for life!* And to make matters worse, most of the pension is to be paid by British taxpayers. Hence, the *Daily Express* headline.

A decade before *Wall Street*, another great movie, *Network*, gave rise to another memorable speech on the silver screen. At the end of his newscast, Howard Beale, fed up with the hypocrisy and greed of his time, uttered these words (which could be the rallying cry of those expressing anger at today’s world):

“I’m as mad as hell, and I’m not going to take this anymore!”

This is not just any anger—this is *righteous anger*. Righteous anger is not just a swirling cauldron of emotions; righteous anger is grounded in a moral judgment that something wrong has occurred and it must be corrected and changed.

Righteous anger has a moral force to it that leads people to action. But this action may not be immediate. There is usually shock, then chaos, and then paralysis of action. But when the wrongdoers appear to be absolved of their actions, a catalytic reaction occurs that boils over into righteous anger. Once people are righteously angry, they are motivated to take matters into their own hands.

Business leaders should not be surprised by the groundswell of righteous anger at multimillion dollar bonuses and corporate bailouts, especially while employees watch their retirement portfolios disappear or lose their jobs. Even though few of them caused it, many leaders presided over the events that gave rise to it while doing nothing, and while they largely benefited from these events. And now we are supposed to feel sorry for the greedy executives we are bailing out because their bonuses are limited to \$500,000? While most of us are comfortable with big salaries for executives who create wealth, we find it outrageous that those who lost so much wealth still expect their outsized salaries and bonuses. We find it outrageous that those who insist on privatizing the profits on the way up are comfortable socializing the losses on the way down. We find it outrageous that those who condemn the welfare state are the same executives with one hand out and the other hand down our pocket. And we are aiming our outrage at such executives by whatever means possible. Witness the public “witch hunt” that had so many cheering on the congressional inquisition of the CEO of AIG for presiding over the distribution of bonuses to AIG executives soon after AIG had received a \$182 billion (and growing) bailout from the taxpayers.

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Of course, not all leaders are greedy and selfish. Nor are all the rest of the leaders accomplices to those who are greedy and selfish. That is unfair, and they should be morally outraged as well, being lumped in with those responsible for creating this deep financial abyss we are in. But, unfortunately, all leaders are caught in the undertow of this anger, and they will have to deal with it. This state of affairs reminds us of the Catholic priest who confided to us that he and his fellow priests felt stained by the actions of a small minority of pedophiles in the priesthood. They were now viewed differently, even though they had personally done nothing wrong—like most leaders today. They were the ones stuck cleaning up the huge mess of a scandal not of their making—again, just like most leaders today.

So, what should leaders do to clean up this mess? First, they need to really understand the righteous anger it has caused and what exactly causes it. They need to pay attention to the mistakes that were made that triggered this righteous anger. This understanding will help leaders navigate the turbulent waters of bad news.

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We live in the “era of bad news.” There will be thousands more “victims” and they are more likely to view their fates as unfair and as your fault—and those judgments are the ingredients that will fuel righteous anger. So, second, moving forward, leaders need to focus on how their actions—or inaction—might further stoke righteous anger. They need to avoid obvious mistakes and slip-ups. As the African proverb so wisely cautions us:

“Do not look where you fell, but where you slipped.”

It is easy to wallow in the magnitude of the current catastrophe. But, to prevent the next catastrophe, we must examine how and why the fall occurred. After all, the best solution is not to pad the ground, but to prevent the slip—more accurately, to prevent the many slips that culminate in the final slip before the fall. Corporate leaders have slipped repeatedly. And finally—inevitably—they fell, hard. On us. After so many slips and slides, they should have seen the fall was coming and done something about it.

But they didn't, and so here we are. So, what's next? How do leaders prevent the next slip? That is, what can leaders do to defuse the current anger and lessen its likelihood in the future? The answer is to treat people fairly and, when that fails, rebuild the trust.

Sound too simple? It is simple, and it should be basic (like decency). This is why, when the cynics and critics say that these are just warmed-over recommendations from the past, we reply "Go back to basics; we already know what works." In fact, what got us in this mess were leaders ignoring those tried-and-true basics.

These tried-and-true basics are not only relevant to today's events, but also to everyday actions by leaders. For example, labor lawyer friends of ours, particularly those who defend corporate leaders in employee lawsuits, tell us that plaintiff lawyers they meet are grateful to corporate leaders who don't treat their employees fairly. It creates great business for those plaintiff lawyers, even a "growth" industry for labor lawyers in general. So, by ignoring the basics of treating people fairly, organizations and their leaders truly pay a price.

Fairness and trust may sound like common sense, but remember the brilliant words of Voltaire:

“Common sense is not so Common.”

This lack of "common sense" is what we find most common in the leadership courses we teach to MBA students every semester. Many of them believe that all a leader needs is a technically brilliant vision and the resources to implement it. Anything beyond that, such as being able to navigate corporate politics, or "being nice" to employees, is at best irrelevant, and at worst an illegitimate concern. So, in class, and here, we emphasize the basics. Everything else is just fine-tuning.

Getting Back to Basics

Treat Employees Fairly

So, what can and should leaders do to treat people fairly? Here is Basic Rule #1: Don't trigger their righteous anger! Righteous anger is triggered when one is harmed or sees wrongdoing. In our research on workplace anger and revenge, two of the wrongs we find that trigger enough anger to motivate revenge are: **breaking of rules/social norms**, and **abuse of power**. People are always sensitive to the breaking of rules or violation of social norm—not unlike what happened growing up when someone broke the rules of Capture the Flag or Monopoly. Examples of rule violations include promoting someone who doesn't meet the promotion criteria, or changing the rules for determining salaries or budgets to favor some individuals or departments over others who are more deserving. For example, are those in the board room judged by different (meaning lower) standards of accountability relative to those in the mail room or on the loading dock? Common examples of violating social norms are shirking your job responsibilities as leaders, blaming employees for your mistakes, and lying to your employees.

Examples of abuse of power are the “petty tyrant” boss and the corrupt boss. The petty tyrant boss is one who is overly harsh, and even cruel, in dealings with subordinates. Corrupt bosses are ones who “pig out” on bonuses while others suffer. These are the ones who used the bailout money for bonuses or massages. Those leaders say they were owed the bonuses by contract. But, what about their breach of the social contract they entered into when becoming a member of senior leadership? Stewardship, and duty to the organization and its employees—keeping the organization alive—were key clauses in that social contract. This being the primary virtue of leaders, it smacks of rank hypocrisy when leaders invoke their contract (above the social contract) to justify their bonuses when their organization received bailout money to keep it afloat.

The Blame Game

To make employees righteously angry, it takes more than experiencing harm or witnessing a wrong—employees must blame a leader for the harm or wrong. The assignment of blame is critical. To assign blame, the employees assess the leader’s motives. Did the leader *intend* to cause harm? If the employees judge that the leader’s action or inaction was outside of their control, little blame will be assigned. If the leader’s actions were not causal, but were merely negligent because they should have done something to stop the harm or wrongdoing, then employees will assign more blame to the leader. If employees judge that the leader caused the harm on purpose, or that the wrongdoing was intentional, then *all* of the blame will be placed on the leader.

But, the “rules” of the blame game are going to be hard for leaders to assess, because when people are harmed or see wrongdoing, they tend to follow certain cognitive rules—or “biases”—that will lead to harsher moral judgments about leaders. Our research suggests that, in this era of bad news, employees are more likely see the leader’s actions—or inaction—as intentional, maybe even part of a conspiracy by all senior leadership in the organization. Moreover, they will ruminate and obsess about what the leader could have or should have done, only making blaming the leader more certain and harsher—which, in turn, makes them even more angry.

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Acting on Anger

You may ask, “*So what* if my employees are angry? They should act like professionals and deal with it.” We find that most employees will deal with it, but often not in a way most people would call “professional” or that the organization would prefer. That is, sometimes employees *get even* for the harms that befall them and for the wrongs they witness. When employees experience injustice, they seek to *do* justice. They seek revenge.

When individuals do try to get even, revenge can often be a very creative act. Small, everyday acts of revenge include refusing to help others, working slower, or the very common “silent treatment.” More extreme forms of revenge include badmouthing others, giving bad service to customers, stealing or destroying company resources, trashing the organization in an online blog, quitting, and suing the organization. Such actions tend to damage productive workplace collaborations, and ultimately hurt the bottom line. And, oh yes, as an added “bonus,” these acts of revenge will likely distract you and your employees from the important concerns of “righting the ship” in these turbulent waters.

Righteous anger can motivate action in a different manner as well. It propels people to right wrongs and deter future injustices. The moral justification provided by the emotions of righteous anger can also be transformed into the rhetoric of injustice used by activists and leaders to rally or mobilize people to action—whether it be political protest or public pressure to punish the wrongdoers—and change the rules of the game to ensure this bad behavior won’t happen again. In other words, righteous anger may not only empower individuals to action, but it may also be used in the rhetoric of those who seek empowerment through political means. Indeed, all revolutions are sustained by righteous anger as control is wrested away from the leaders.

No Justice, No Peace

“True peace is not merely the absence of tension: it is the presence of justice.” — Martin Luther King, Jr.

You say you don't want a revolution? You know, then, that you have to ensure justice. What's difficult, however, is that in this time of bad news and change, employees are overly sensitive to fairness concerns. Of course, leaders know that they won't always be perceived as fair—especially when they have to deny requests. Leaders may have to tell one employee expecting a promotion that the promotion went to another employee, or tell a business unit that their budget proposal was turned down. Turning down employees and having them get upset about it is, of course, unavoidable and goes with the territory of being a leader. And in this era of bad news, there will be thousands more laid-off employees, and they are likely to view their fates as unfair.

Fortunately, much research shows that as long as employees perceive that the process is fair, they don't complain so much about not getting the outcomes they wanted. And such processes are perceived as more fair if they have certain features. For instance, were the rules applied consistently for different people, or were some people “above the law?” Was accurate information used, or was the decision based on poorly researched “facts” and gossip? Did the decision-makers have any conflicts of interest, perhaps by somehow benefiting from one particular outcome over another? Did those who received the outcomes have any say or input into the decision, or was the decision merely imposed on them without even consulting them? Can the decision be appealed? Such fair processes not only avoid triggering anger, they also channel anger that has arisen anyway (perhaps due to some other employee triggering it) into controllable grievance systems instead of to would-be “vigilantes” who will take matters into their own hands. In short, if leaders do not provide this fair process, employees will be more likely to seek justice themselves.

(Re)Building Trust

Even after leaders have re-established justice, even “cooled out” angry employees, their problems are still not over. Employees may not trust leaders just yet. They may be wondering when the next harm will occur. After all, the best predictor of future behavior is past behavior. Research on layoff survivors is clear about this point: after watching how their colleagues were let go by organizational leaders, they assume that when their turn comes to be let go, they will be treated the same way. Similarly, should employees observe their boss unfairly short an employee’s wages, even after that employee has negotiated back fair wages, other employees will wonder if their boss will try to short them, too. So, even after quelling righteous anger, though leaders may want to focus afresh on the future, they must still deal with the past anyway. In particular, they must explain the past behavior in such a way that employees don’t use negative past behavior to predict a negative future. Because, if employees predict a negative future, they will guard against it—in part, by not trusting the leaders.

So, how should a leader begin (re)building trust?

We suggest you build ***The Five Pillars of Trust.***

The Five Pillars of Trust

Pillar 1: *Tell the Truth*

With all due respect to Jack Nicholson's character in *A Few Good Men*, people *can* handle the truth. What they have difficulty handling are lies. So, tell the truth.

If a leader's actions played a role in creating a bad situation, then they must explain their actions. What employees are looking for first in the offering of truth is a sincere and honest explanation. The explanation must acknowledge responsibility, and not just privately, but also publicly. The offering of truth may be one reason why doctors who give apologies for medical errors are sued for malpractice less often than doctors who refuse to give apologies (often out of fear that the apology will be perceived as an admission of guilt that may be used against them in court). As Richard C. Boothman, Chief Risk Officer for the University of Michigan, explained to the U.S. Senate, "People go to lawyers not because they want a million-dollar payout. People go to lawyers because they want answers and they don't trust their caregivers to give them answers. People go to lawyers because they don't get any information at all." This is why many states have considered bills for "I'm Sorry" laws that would give doctors legal immunity for admitting mistakes. The intent is to help improve communication between doctors and their patients and avoid conflict escalation.

The workplace is no different. Employees want an explanation for controversial management decisions and for leaders' behaviors, particularly when it results in bad news. In the face of bad news, secrecy seems to be the default response of many leaders. Too often leaders say it is "on a need to know basis and *YOU* don't need to know." When delivering bad news, it is absolutely critical to "justify, justify, justify." People want, expect, and even *demand* to know why the bad news occurred—whether it is negative performance reviews, budget cutbacks, or job layoffs. Such justifications should include the specific and concrete reasons for the bad news. Giving no explanation only breeds more distrust through rumors and everyday paranoia.

Pillar 2: *Do Your Penance*

When offenders offer some form of penance for their wrongdoing, people are more willing to forgive them. Penance begins with an apology. Leaders should apologize for what they or the organization did. Of course, a sincere apology is critical, just like in a good explanation. Insincere apologies—the kind where you say it because you have to, not because you really believe it—backfire to the point of being worse than no apology at all.

But an apology isn't the only form of penance that can lead to forgiveness. Attempts to redress the loss or harm can motivate forgiveness. If leaders gained from the acts in question, then they should give whatever they've gained back. For instance, we know of a university president who took a large pay raise when his university's budget was being cut and his faculty's pay was frozen. He gave back the pay raise and made a large donation to the university. If it's impossible to give what you've gained back, then give something back of equivalent value.

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These first two pillars are looking backward, trying to repair the breach of trust. Going forward, in this bad economy where job security is out the window and people are becoming short-term, self-preservation focused, you need to build three other pillars of trust. All easy to say, but hard to do given the stress of the economy and its looming impact.

Pillar 3: *Do the Listening Tour*

In the era of bad news, your people are looking to their leaders. Employees are asking themselves “Do our leaders care?” Leaders are signal-senders. One of the most important signals that leaders can send to convey that they care is this: LISTEN!

Listening is the most important leadership skill. Why? Because when leaders listen, employees will tell them LOTS of stuff. And when leaders listen, and we mean *really* listen, employees feel valued and important. Listening is absolutely critical for (re)building trust.

We know it is fashionable to go on “listening tours” these days. But, do it anyways. And as leaders listen, they should do the following: listen for the content (what are people concerned about?); listen for the emotions (what are people afraid of?); but also listen to act (are people suggesting solutions or new ideas to act on to help the organization?).

Perhaps if leaders had done their listening tours regularly, they could have dealt with these matters as “issues” and not as “crises.”

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Pillar 4: *Share Information on a Regular Basis*

Another important way that leaders (re)build trust is to share information with their people—early and often. Keep employees informed as to how things are going, whether it is good news or bad. For most employees, there is very little information that requires a Level II—or even a Level I—security clearance. So share it!

Sharing information is one of the sure ways to (re)build trust. But, as so often is the case, leaders want to withhold information out of the need for control, need for power, or fear of lawsuits. Leaders operate under the mistaken belief that, by sharing the information, it will only make matters worse.

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But, by withholding information, it will only make matters worse for you in terms of (re)building trust. Why? Rumours and paranoia. What are the situational conditions that encourage rumours? The existence of an important issue and a lack of information on that issue. What are the situational conditions that encourage paranoia in the workplace? Lack of information and the existence of employee-status uncertainty. What do rumours and paranoia have in common? Lack of information. While rumours and paranoia are created by the landscape of bad news, leaders can lessen their negative impact on the workplace by sharing information on a regular basis.

Pillar 5: *Over-communicate by a Factor of 10 (or 100 or 1000)*

In these times of turbulent change, leaders need to over-communicate their vision, their strategy, their plans and their message. Repetition is absolutely critical. Why? First, not everybody hears you, as they are distracted—if not fearful.

Second, not everybody hears the message accurately if it is only said once, and not everybody hears the message at the same time. It is much like the childhood party game of “telephone”—i.e., an employee tells your message to another employee, who tells another employee, who tells... and so on. And, with each retelling, the message gets distorted—such that the message that most employees hear is not the true message. We can guarantee you that, when leaders are speaking to a group, employees are text-messaging others across the organization with these questions: “What are you hearing? Is it the same thing we’re hearing?” And, if it isn’t the same message, more rumours and more paranoia are sure to follow. And, by the way, because over-communication will involve all the senior leadership team, make sure everyone stays on message!

Third, repetition breeds familiarity, which can lead to understanding, which can lead to employees trusting you and supporting your initiatives. As a rule of thumb, communicate more than feels normal.

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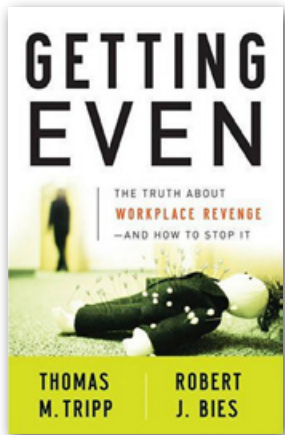
Final Warning

The concern we have is that once we get through these dark times, and the righteous anger recedes, leaders will stop paying attention and lose the discipline to stay focused and committed to the basics of treating people fairly and building trust. Leaders do so at their own peril.

Leaders need to internalize the lessons of the past fully and, going forward, continually remind themselves of the lessons learned—and the consequences of forgetting these basic lessons. For, as President John F. Kennedy reminds us:

“Leadership and learning are indispensable to each other.”

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BUY THE BOOK

Get more details or buy a copy of Robert J. Bies and Thomas M. Tripp's [Getting Even](#).

ABOUT THE AUTHORS

Robert J. Bies and Thomas M. Tripp are co-authors of *Getting Even: The Truth About Workplace Revenge—And How to Stop It* (Jossey-Bass, 2009). **Robert J. Bies** is a professor of management and founder of the Executive Master's in Leadership Program at the McDonough School of Business at Georgetown University. Bies's current research focuses on leadership and the delivery of bad news, organizational justice, and revenge and forgiveness in the workplace. **Thomas M. Tripp** is a professor of management and operations at Washington State University. Professor Tripp has published dozens of research articles in scientific journals on the subject of workplace conflict and organizational justice.

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