NANO TOOLS FOR LEADERS®

THE GOOD APOLOGY

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

GOAL

Repair trust faster: stop dodging apologies or delivering ones that make things worse.

NANO TOOL

Any violation of a customer's or colleague's trust places your relationship at risk. In the unstable aftermath, former friends can easily become foes. But quick, effective repair efforts can tip the balance back to a positive relationship, and even improve your image. Often it is the recovery effort, rather than the violation, that matters most. The simple words "I'm sorry" are surprisingly powerful. But how we say them and what we do as we say them can make a world of difference.

ACTION STEPS

The key ingredients of a successful apology:

1. **Speed:** When you make a mistake, time is of the essence. A prompt apology signals concern; a delayed one signals that the apologizer had to be pressed into it.
2. **Candor:** An effective apology is transparent; in other words, the perpetrator must be open and candid in disclosing what went wrong.
3. **Vulnerability:** A critical ingredient in rebuilding trust, vulnerability sends a powerful signal that the apologizer trusts the recipient of the apology and leaves him or herself open to the consequences of the original error.
4. **Focus on the victim:** Most apologies are self-focused and therefore much less effective. Recall BP's then-CEO Tony Hayward, who said a month after the Deepwater Horizon oil rig explosion, "There's no one who wants this over more than I do. I want my life back." More than 16 years later, his missteps are still widely cited among the worst non-apologies in business history. Hayward almost certainly knew better; the failure was not one of knowledge but of the moment. Keeping the focus on the person you've harmed seems obvious in the abstract and turns out to be surprisingly hard under pressure.
5. **Promise to change:** Research shows that a promise to change, more than a simple apology, has the greatest impact on rebuilding trust. An apology that articulates a plan of action separates the person from the violation: the transgression becomes something that happened, and the apologizer becomes someone who deserves a second chance.
6. **Penance:** Although apologies and promises to change are surprisingly powerful, offers of penance—making amends to the victim—also make a profound difference. To communicate remorse appropriately, those amends must be costly in terms of time, money, or some other resource.

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HOW LEADERS USE IT

When Vanessa Hudson became chief executive of Qantas in September 2023, the airline was under siege: it had lobbied against a rival's bid to add flights while airfares soared, planned to let hundreds of millions of dollars in pandemic flight credits expire, and stood accused of selling tickets for more than 8,000 flights it knew had been cancelled. Within weeks she released a video apology that did not hedge: "We haven't delivered the way we should have. And we've often been hard to deal with." She said trust would be earned back "not with what we say, but with what we do," and named the changes: more frequent flyer seats, more call center staff, and a review of customer policies. The following year Qantas agreed to compensate more than 86,000 affected customers.

Just months after Toyota launched the luxury brand Lexus, its first model had to be recalled for repairs. But instead of taking a hit to its reputation, the company turned the situation into a marketing coup. Every owner received a phone call to schedule the repair; if a dealership wasn't nearby, the company flew mechanics to the customer. After making each repair, Lexus detailed the car and gave it a full tank of gas. Within three weeks, the company emerged from the crisis with an enhanced brand. It was no longer known just for quality, but also for customer service.

KNOWLEDGE IN ACTION: RELATED EXECUTIVE EDUCATION PROGRAMS

Effective Decision Making: Thinking Critically and Rationally

High-Potential Leaders: Accelerating Your Impact

Executive Development Program

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ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.

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