Easy to Start, Hard to Run: Operational Guidance for Startups and Private Companies | Volume 2

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RUMORS, FRIDAYS, AND TRUST

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Quick Summary: Quickly inform others of proposed changes to minimize the ever-present negative rumor mill.

Abstract:

Rumors are a fact of life. Left unaddressed, they can grow almost without bound. Seldom will the actual rumored event, if it happens at all, be as good or as bad as speculated. When changes are contemplated, speed is of the essence to minimize the time for rumors to start and spread. Most people are remarkably resilient if they have the opportunity to develop a clear understanding and trust the information provided to them.

We have all been part of a "rumor mill", a seemingly non-stop, not-so-private discussion about someone or something. Sometimes, the rumors prove to be true, sometimes, they prove to be false. The longer they persist, the more credibility they seem to have. Finally, they take on a life of their own until the actual event occurs or does not. Invariably the "good" predicted by the rumor is not as good as expected nor is the "bad" as bad as expected. Facts replace speculation.

Anyone who has worked in a company with three or more people knows it is virtually impossible to keep a secret for any length of time. Couple this situation with the natural persistence of rumors, and speculation spreads like wildfire. Of course, when a company plans to make changes, the situation can be like throwing gasoline onto a fire. There appears to be no way of keeping secrets or stopping rumors, so all an organization can do is minimize the time for the rumors to proliferate. So, when changes are contemplated, move fast and either implement them or shelve them. In either case, communicate the decision quickly and throughout the organization.

There is, however, one exception to announcing changes quickly: do not do it on Fridays. No matter what the intentions are and no matter how beneficial the change is projected to be, individuals will be impacted. Some people will be impacted positively, while others are impacted negatively, or so they think or feel. Also, no matter how thoroughly a change is thought out and documented, invariably questions will arise. Gone unanswered, questions can fester and be the source of a new set of rumors. Making announcements on Fridays can leave employees with the weekend to ponder and speculate, usually about the negative consequences of the change. By Monday morning, the issues can be well out of proportion, and what could have been a simple explanation when provided on Friday becomes an excuse on Monday.

Quite simply, people need time to internalize changes and do it when external answers are readily available. Not only should Friday announcements be avoided, but late-in-the-day announcements

should be avoided as well. Finally, make changes randomly. Do not announce them "every Tuesday" or after the month or quarter's end when financial performance results are available. Establishing a routine change "day" will do nothing but promote the next wave of rumors, which will probably start the hour after any changes are announced.

Much has been said about maintaining an "open door policy" in which anyone can approach anyone to ask for confirmation or denial of rumors. Unquestionably, it works as long as truthful answers are always given. Just because a question is asked, a definitive answer need not be given. Instead, answers such as "it is under consideration," "no final decisions have been made," and other similar "work in progress" statements can be made. If possible, bound the change with statements such as "the change under consideration will not impact headcount," or "will not impact our local operations," or "if adopted, it will not be implemented for x months until we iron out all the details." The key point in all of these responses is that as much of the factual truth should be shared but never provide misleading answers. The change might be important but can never be as important as maintaining trust.