

Selling A Negative

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Why do so few politicians stand behind budget cuts? They count votes. They know if they cut budgets, it will hurt constituents who will vote against them.

Every politician knows the political theater of budget-making and how it impacts the ballot box. The same dramas are played year after year. There is Weeping Mother. Cut benefits and you will “kill my child.” There is Warrior. Cut the defense budget, and “you will leave soldiers defenseless in the trenches.” There is Head of National Parks. Cut the parks budget and “millions will be deprived of nature’s wonders.” There is Entertainer pleading for the arts, NASA scientist justifying a moon mission, Postmaster General warning of services slowdowns. This cacophony of self-interested voices finds its way into newspapers, TV and radio, blogs, tweets and Facebook pages. It is little wonder then that there is little rationality in budget politics. It is a matter of who has political support to keep from feeling the edge of the ax.

But sometimes, it is necessary to cut budgets or to take actions that are out of favor with constituents. How, then, does one sell a negative? How does one take a hard message and persuade people to accept it against their own self-interest?

It is easier to sell a negative in the corporate world by comparison to politics. A CEO can declare X percent of people surplus and fire them. The CEO answers to the board and shareholders and doesn’t have to listen to complaints of those who report to him. On the other hand, a CEO who fires a percentage of the workforce then wishes to motivate those who remain does have a problem. Surviving employees might be shell-shocked, resisting the actions dictated, looking for a way out of the company, hiding in cubicles and deliberately unproductive. The CEO needs to have the surviving workforce embrace change, if not enthusiastically, at least willingly. To achieve that is a communications challenge requiring powerful argument, personal influence and action.

Accept reality

The first step in selling a negative is to know whether one can do it all. Sometimes, there are not enough influentials or power to communicate bad news effectively, and one has to wait for the inevitable. Consider, for example, a company that can’t seem to turn itself around until it ends in bankruptcy. In default, courts and debt holders force management and employees to act in ways not possible before. General Motors is one such case. GM tried for years to change but could not get there. After bankruptcy, long-deferred actions suddenly became imperative. Executives departed, union contracts were repudiated, sinking brands shut down. GM became a different company. The

same can be said for healthcare reform in the US, whether or not one supports legislation enacted under Barack Obama. Health care reform failed for decades and nearly failed under Obama. It was an issue that few wanted to touch because nothing good could come from it. The same barriers surround Social Security reform – an issue few will touch even now. Both the CEO and politician need to read the environment and determine whether it is ripe for change. If it isn't, selling a negative is futile.

Reading the environment is a skill. A CEO must have a good sense of the board to which the CEO reports, of financial analysts who evaluate the company, of shareholders and their concerns, of employees starting with the CEO's direct reports, of activists and of regulators. The BP well blowout in the Gulf of Mexico will be examined for years, but at first blush it appears the CEO's push for safety over cost consciousness did not permeate the ranks, at least not to the managers at the deep-ocean well off the coast of Louisiana. A politician has the same challenge but writ larger. There are hundreds of interest groups pushing for changes in the law, for funding, for recognition of an issue, for action of some kind. The politician must sort through these and determine whether there is any chance of an issue being addressed. There are many survey and other research tools for reading the environment, but engaging the environment constantly is one of the best. This is often called Management by Walking About. For politicians, town halls and other meetings are an essential part of their jobs.

Prioritize

If change is possible, a politician prioritizes by interest groups that will be helped or harmed from a negative action. A CEO prioritizes by outcomes for shareholders – i.e., will the company be able to continue, will shareholders see a suitable return, will the company grow again and return to its former cash-generating prowess?

It is hard to communicate a negative message and harder to implement negative action. It is destructive to implement the wrong negative action. A leader should not plunge precipitously, but the leader also should not let a situation deteriorate for lack of consensus. One balances urgency and support. Sometimes it is not clear where the balance lies.

There was a CEO who took over a company that had been a high-growth business for 20 years. When he examined its operations, he discovered a disaster about to happen. The company had not built or maintained essential systems needed to keep growing, and competitors were nipping its flanks. The CEO leaped into action. He formulated a strategy for moving forward. He did what he had to do to fix the business. He built new systems, rationalized operations, increased training, hired new talent. But, employees never understood how dangerously close to failure the company had been. Many disliked his actions, and some hated him for "ruining the business." When the CEO left after a number of years, some of his best work was undone, and

employees blackened his name. The CEO had from the beginning been unwilling to tell the real story of the company because he did not want to harm the reputation of the CEO who had gone before him. In retrospect, it was a mistake. The CEO needed more support for the radical changes he made. He needed to tell the negative story until it was understood in the ranks. His opponents waited until he was gone then struck back.

Overwhelm with force of argument

Selling a negative requires rational and emotional arguments. Messages should invoke fear of greater harm, if the negative action is not taken. This is a failing of budget deficit hawks in the US. They damn the Federal Government's deficit spending, but they have been unable to show the public convincingly how budget deficits impact personal wallets and lives. Many citizens embrace the idea of bringing the budget into balance as long as cuts do not affect them. It is alright if the government cuts someone else. Citizens cannot accept that budget cutting might necessarily affect their self-interests. A CEO has much the same challenge when pushing for permanent change in a company.

There are four communications actions a leader should take.

The first is to anticipate objections, especially from powerful constituencies, and to prepare counter-arguments. Employee unions, for example, might block any action a company might take. Before selling the negative to the company at large, a CEO might need to meet behind closed doors with union leaders. Direct reports might be opposed to a proposed action. The CEO has a choice of convincing them or replacing them before broadcasting the message. A politician might have to go against one of the most powerful businesses in his district. The politician might need to meet with the company's representatives directly and explain his intentions. Both the politician and CEO should generate a written list of principle objections and counter-arguments that demonstrate why a negative step is necessary. This document should become the basic resource of a wider communications campaign.

The second is to communicate frequently and in depth. Leaders should repeat again and again why a negative action is necessary and provide fresh evidence for the need for change. One should not assume that this much communications is enough, and there is no need to do more. There is always a need to do more. When selling a negative, no structured communications program guarantees success. One should be ready to commit more resources to communications and to react swiftly to new objections. It only takes one emotional or well-reasoned argument to put a chink into a negative message and render it ineffectual.

The third communications tactic is to stand firm. When selling a negative, signs of weakness or compromise will be exploited. A leader who is seen to vacillate loses credibility with supporters and opponents, but credibility is exactly what is

needed to send a negative message effectively. Supporters and opponents alike must be convinced that the leader will not be swayed from the course. The leader in turn should be ready to confront delaying tactics while motivating those who are changing. It is a time for rigor in organizational ranks and discipline in the polity.

The fourth tactic is to listen. A leader needs listening posts at many levels of society or organizations to find out how a negative message is being understood, warped or distorted. Frequently, the message doesn't sink in. Constituents will think to themselves that the leader really doesn't mean it. That is, if they wait long enough, this message too will pass. The leader needs to know how to amplify, support and vary the essential message to make it understood to multiple cultures and groups. Politicians have a knack in doing this since they meet voters constantly. CEOs often have to learn it. But, there is no way of knowing how a message fares except by listening closely and well. This is the role of surveying, focus groups and meetings at every level. Years ago, a town in the US that owned the public phone system decided to privatize it. The firm bidding to buy the system came from another state. Municipal unions demonized the firm as an outsider that would raise rates and ruin the system. While the company held focus groups, it paid no attention to them. The focus groups showed clearly that company leaders needed to spend time in the community meeting with citizens to lower their fears. The company instead relied on advertising and the initiative failed badly at the polls.

The hardest part of listening is determining what people really think. Employees are often overwhelmed in the presence of senior leadership. They tell the CEO what the CEO wants to hear and not what is on their minds. On the other hand, politicians often hear too much from activists and protesters set on getting their ways. If the politician listens to them too closely, the politician will miss concerns of quieter constituents who also vote.

Cultivate influentials

Both politicians and CEOs need to know to whom they can reach to gain support for a negative message. There are two approaches to cultivating influentials, and both are good. The first is to find and persuade key influentials who are opinion drivers and whose vocal support will make the message real to constituents -- the top-down approach. The second is to build grassroots support among a majority of constituents who can be used to overcome objections on the part of key influentials -- the bottom-up, or populist approach.

The urgency of a situation and strength of opposing forces may dictate which approach to use or whether there should be a hybrid of the two. The leader and communicator must be adept in assessing constituents and predicting reactions to a negative message. If possible they should test reactions before moving forward (the trial balloon), but that is not always possible. Sometimes, perhaps most of the time, they act on the basis of incomplete knowledge and partial

support. It is at times like these that a leader's instinctual understanding of constituents is of utmost importance. One can easily step wrong and wreck efforts to make changes. There is usually no second chance after a major failure, or rather, approaching the issue again may take years, long enough for constituents to forget the first mistake. But, in an era of the internet, it is harder for people to forget. They can "Google" stories from the past and refresh their memories.

Act

Sometimes the only way to get people to pay attention to a negative message is through action that breaks through denial and daily distractions. For example, a governor furloughing state employees because the state's coffers are low on money or withholding legislators' paychecks until they pass a budget or reducing all workers to minimum wage. Even such bold actions as these can sometimes fail to connect, as the State of California can attest.

Both the politician and the CEO must choose actions carefully. It is better when they say what they need to do so no one is surprised, take action, and then remind everyone why they have acted as they have done. However, this is not always possible. Forecasting action can often give opposition time to organize, to file a lawsuit, to contact supporters and appeal to them to change their minds. So, it is better for leaders to remain general in their statements. E.g., we must get the budget under control, and we will do what it takes to get there. This doesn't say exactly what the leader intends but it portends a broad range of possible action. Once the action is taken, the leader can point to it as a verification of the general statement.

Acting is not an end in itself. Furloughing state employees is not the end that the Governor of California was seeking but communications of a message that the state needed to get its budget under control. Firing X percent of the employee population is not the end the CEO seeks for a company but increased cost control and profitability. Actions are steps in effective communication and implementation of larger programs. As such, the act must have as much symbolic weight as it does real impact. If intended recipients ignore the act, scoff at it or otherwise denigrate what the leader is doing, it would have been better had the act not been taken in the first place.

There is a story about a ram and a carpenter that exemplifies this. A carpenter was building a pen in a sheepfold. All but one of the sheep ignored him. The one that didn't was a ram. The ram kept charging the carpenter as he was going about his work. The carpenter kept ducking away to avoid the ram but was unable to concentrate on what he was doing. Finally the carpenter had enough. He picked up the end of a 2x4 and waited until the ram charged him again. When the ram lowered his head and rushed forward, the carpenter whacked the ram across his skull with the 2x4 end. The ram stopped in his tracks, turned and fled the carpenter for the rest of the day. From that time forward, carrying any

kind of stick in the sheepfold was enough for the ram to stay away. The ram got the message. It is no different with people. They need to get the message and action needs to be large enough, bold enough and meaningful enough that there is no mistaking what the leader means.

There is never an ideal time to sell a negative. There is always opposition to any message crossing the self-interest of constituents. Leaders, however, have larger tasks than any one constituent's personal self-interest. They know what they do will be controversial but essential, and the outcome will be better for all in the long run. Leaders need to know whether to move forward and have the courage of conviction to stay the course. Sometimes urgency is such that the opposition is muted, although it never goes away. Most of the time, significant blocks will rise in opposition through public action or more insidious private delay. Leaders must work through these elements and continue the course to change through selling a negative forcefully and persuasively.

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