Displaying Fairness While Delivering Bad News: Testing the Effectiveness of Organizational

Bad News Training in the Layoff Context

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Abstract

Although giving bad news at work is a stressful experience, managers are often underprepared for this challenging task. As a solution, we introduce organizational bad news training that integrates (a) principles of delivering bad news from the context of health care (i.e., bad news delivery component), and (b) principles of organizational justice theory (i.e., fairness component). We argue that both the formal and fair delivery of bad news at work can be enhanced with the help of training to mitigate distress both for the messenger and the recipient. We tested the effectiveness of training for the delivery of a layoff as a typical bad news event at work. In two studies, we compared the performance of a training group (receiving both components of training) with that of a control group (Study 1, Study 2) and a basics group (receiving the bad news delivery component only; Study 2) during a simulated dismissal notification meeting. In general, the results supported our hypotheses: Training improved the formal delivery of bad news and predicted indicators of procedural fairness during the conversation in both studies. In Study 2, we also considered layoff victims' negativity after the layoff and found that training significantly reduced negative responses. This relationship was fully mediated by layoff victims' fairness perceptions. Despite preparation, however, giving bad news remained a challenging task in both studies. In summary, we recommend that organizations provide managers with organizational bad news training in order to promote professional and fair bad news conversations at work.

Keywords: delivering bad news, training, organizational justice, procedural fairness, layoff

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"So although I wish I were here with better news, the fact is that you and I are sitting

here today because this will be your last week of employment at this company."

(George Clooney alias Ryan Bingham in the motion picture *Up in the Air* by Dubiecki,

Clifford, Reitman, and Reitman, 2009)

Giving bad news to an employee is as much a regular task for managers as it is a

difficult one (Bies, 2013). Managers have to communicate not only organizational

downsizing and layoffs (Clair & Dufresne, 2004), but also negative performance feedback

(Ilgen & Davis, 2000), pay cuts (Greenberg, 1990), negative hiring (Lavelle, Folger, &

Manegold, 2014) or promotion decisions (Lemons & Jones, 2001), or disciplinary warnings

(Cole & Latham, 1997). What all these conversations have in common is the stress they

arouse in managers and employees alike: Employees feel threatened by bad news because it

impairs their self-esteem and creates uncertainty about their future (e.g., Baumeister,

Bratslavsky, Finkenauer, & Vohs, 2001), and managers feel uncomfortable with their

responsibility for giving this news and thus doing harm to the employee (e.g., Molinsky &

Margolis, 2005). Furthermore, self-presentation concerns, feelings of guilt, or an anticipation

of negative employee reactions can contribute to managers' reluctance to give bad news

(Rosen & Tesser, 1970). Unfortunately, managers' concerns often become reality, especially

if bad news is given in an unfair and insensitive way. Organizational justice research has

widely demonstrated that employees respond adversely to unfair treatment while learning

about bad news, be it job applicants receiving rejection (Gilliland, 1994), employees

experiencing negative performance appraisal (Holbrook, 1999), or employees being given

notice of a layoff (Konovsky & Folger, 1991).

Nevertheless, it has barely been explored how managers should be prepared for the challenge of giving bad news in a fair way. The present research therefore addresses whether training can be developed that is useful for improving managers' performance in a bad news conversation with an employee and, as a result, for reducing the negative impact of the delivery or receipt, respectively, of bad news for managers as the messengers and employees as the recipients. For this purpose, we developed *organizational bad news training,* building upon principles of delivering bad health news from the context of health care (Baile et al., 2000; Rosenbaum, Ferguson, & Lobas, 2004) and integrating principles of organizational justice theory (Colquitt, 2001; Leventhal, 1980). We then conducted first empirical tests of the effectiveness of organizational bad news training while applying it to a bad news event that is both prototypical and one of the most challenging a manager might face in working life—delivering layoff news to an employee.

Introducing Organizational Bad News Training

The Bad News Delivery Component of Training

Encountering bad news is an undesired and unpleasant event for recipients and messengers alike. In particular, messengers exhibit an aversion to giving bad news that hinders them from carrying out the task properly, a phenomenon referred to as the MUM effect ("keeping mum about undesirable messages"; Rosen & Tesser, 1970, p. 254). Research has shown that messengers' concerns about giving bad news are manifold, and include feelings of guilt towards those suffering from bad news (Tesser & Rosen, 1972), fears of negative evaluations and self-presentation concerns of being associated with bad news (Bond & Anderson, 1987), and anticipation of negative reactions of the recipients (Rosen & Tesser, 1970). In line with these findings, giving bad news to an employee can create considerable stress in managers, whether it pertains to the communication of negative hiring decisions or to the delivery of layoff news (e.g., Folger & Skarlicki, 1998; Lavelle et al., 2014). In some

cases, for instance if managers do not support the decisions they have to convey (e.g., conducting a layoff due to downsizing rather than performance deficits), doing harm to an employee may also contradict a manager's role expectation of being a "good" supervisor who aspires to promote and support his or her employees (Kets de Vries & Balazs, 1997). This situation may also create uncertainty about which behaviors are appropriate to implement this task (Kahn, Wolfe, Quinn, & Snoek, 1964). Such uncertainties about the role, together with a lack of critical knowledge and mastery experience in giving bad news, may relate to managers' self-efficacy concerns regarding their ability to deal with the challenging task successfully (Bandura, 1997), and this may in turn affect their performance (Stajkovic & Luthans, 1998).

To reduce managers' stress and to increase their performance in giving bad news, organizational bad news training needs to clarify the manager's role as a leader whose task is sometimes to give bad news to an employee in order to achieve a "greater good or purpose" (Molinsky & Margolis, 2005, p. 245). Furthermore, it is deemed necessary that training conveys knowledge about the appropriate behaviors for performing this task, thus providing managers with a sense of predictability and personal control of the situation. In practice, behaviors crucial for giving bad news have usually been examined in health care professionals (Rosenbaum et al., 2004). Nevertheless, physicians and managers may have similar goals, for instance to facilitate recipients' acceptance of a negative outcome and to preserve their positive attitudes, and they also seem to be exposed to similar challenges: Although the nature of physicians' jobs—working with people with physical or mental illnesses—implies a constant exposure to giving bad health news, they often report stress and concerns as well as a lack of confidence and competence in delivering a diagnosis (e.g., Cohen et al., 2003; Orgel, McCarter, & Jacobs, 2010). Training in delivering bad health news has been found to improve medical students' and residents' performance and confidence in

delivering a diagnosis during role-playing scenarios with peers or actors (e.g., Baer et al., 2008; Baile et al., 1999; Bonnaud-Antignac, Campion, Pottier, & Supiot, 2010; Rosenbaum et al., 2004). Such training usually conveys knowledge about the systematic structuring of a bad news conversation with a patient. A prominent example is the SPIKES protocol, which describes step-by-step strategic guidelines for delivering bad health news (Baile et al., 2000; Buckman, 1992). In particular, physicians should arrange the setting before the bad news conversation (*setting up*), assess the patient's awareness of the problem (*perception*), inquire about the patient's desire for information disclosure (*invitation*), deliver bad health news (*knowledge*), address the emotions expressed (*empathy*), and arrange follow-up steps (e.g. treatment plan) and summarize the discussion (*strategy and summary*).

Given the positive effects of such training in the context of health care, organizational bad news training should include a *bad news delivery component* that clarifies the manager's role and provides knowledge about the formal delivery of bad news to an employee, using a similar step-by-step protocol: First, managers should arrange the setting; second, they should deliver the bad news immediately at the beginning of the meeting; third, they should provide a detailed explanation for the bad news; fourth, they should deal with the emotions expressed by the employee; fifth, they should provide information about follow-up measures to promote planning for the future; and, sixth, they should summarize the discussion.

The Fairness Component of Training

As much as giving bad news is a challenging task for managers, implementing an unfavorable outcome with interpersonal sensitivity and fairness is all the more demanding (Folger & Skarlicki, 1998; Molinsky & Margolis, 2005). Nevertheless, organizational justice research has widely demonstrated the beneficial effects of fairness at work on the establishment of positive work outputs and relationships (for an overview, see Colquitt, Conlon, Wesson, Porter, & Ng, 2001). In particular, if employees have to deal with negative

work events, *procedural fairness* seems to be crucial for their favorable reactions to the organization and its agents (e.g., Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Procedural fairness refers to the processes and procedures used to make or implement decisions (e.g., Leventhal, 1980). Research has shown, for example, that fair performance appraisal procedures were associated with employees' motivation to improve their performance (Elicker, Levy, & Hall, 2006), whereas unfair procedures in promotion decisions reduced employees' commitment to their employer (Lemons & Jones, 2001). Similarly, in the context of reorganization, surviving employees reported more commitment and fewer turnover intentions if the reorganization process had been fair (Kernan & Hanges, 2002). Laid-off employees, on the other hand, were less angry (Barclay, Skarlicki, & Pugh, 2005) and less likely to complain and to take legal action against the employer (Konovsky & Folger, 1991; Wanberg, Bunce, & Gavin, 1999) if the layoff procedure had been fair.

Given the benefits of procedural fairness, organizational bad news training should include a *fairness component* that provides managers with knowledge about procedural fairness and its enactment in order to improve the perceived fairness of a bad news conversation and, as a consequence, to reduce employees' negativity towards their supervisor and their employer afterwards. Specifically, procedural fairness can be increased by implementing the principles postulated by Leventhal (1980): Procedures are fair if they are used consistently across persons and time (*consistency*) and without any bias or self-interest (*bias suppression*), if they are based on accurate information (*accuracy*), represent the needs of all parties involved (*representativeness*), and follow moral and ethical standards (*ethicality*). To implement the consistency principle while giving bad news, managers should communicate the news in an unambiguous and coherent manner throughout the conversation, and they should demonstrate bias suppression by appealing to the facts instead of attributing the bad news to the employee's personality. To promote representativeness, managers should

offer two-way communication and give employees the opportunity to voice their views; accuracy should be fostered by providing adequate and reasonable explanations of the bad news; and the principle of ethicality should be met by treating employees with politeness, dignity, and respect, for instance by mentioning their positive attributes and contributions (as suggested by Wood and Karau (2009)). Previous research has already shown that leaders can be trained to be fairer in their interactions with their employees (for an overview, see Skarlicki & Latham, 2005). Fairness training (vs. no training) increased not only subordinates' perceptions of their leaders' procedural fairness (Cole & Latham, 1997; Skarlicki & Latham, 1996, 1997), but also employees' organizational citizenship behavior (Skarlicki & Latham, 1996, 1997).

Taken together, organizational bad news training needs to include (a) a bad news delivery component to improve managers' formal delivery of bad news and (b) a fairness component to improve their display of fairness during this procedure. Whereas the former should influence managers' outcomes (e.g., reduce stress), the latter should influence employee outcomes (e.g., reduce negativity towards employer).

Applying Organizational Bad News Training to the Layoff Context

A layoff can be considered as both a typical and one of the most challenging bad news events at work. Therefore, it was deemed an appropriate field of application for testing the effectiveness of organizational bad news training on messengers' performance in a bad news conversation. For many years, organizational downsizing has been discussed as a prevalent phenomenon in both the psychology and management literature, although it has often been related to negative outcomes for both organizations and humans (e.g., Datta, Guthrie, Basuil, & Pandey, 2010; McKee-Ryan, Song, Wanberg, & Kinicki, 2005; van Dierendonck & Jacobs, 2012). Layoffs impair not only the physiological and psychological well-being of the employees who lose their jobs, the layoff victims (McKee-Ryan et al., 2005; Paul & Moser,

2009), and the employees remaining at the company, the layoff survivors (Grunberg, Moore, & Greenberg, 2001; van Dierendonck & Jacobs, 2012), but also the well-being of the managers who have to communicate the dismissal messages, the layoff agents (Grunberg, Moore, & Greenberg, 2006; Kets de Vries & Balazs, 1997; Parker & McKinley, 2008).

Specifically, having to conduct layoffs is a stressful task for managers because they have to harm their employees by communicating a job loss for economic or strategic reasons that are beyond an employee's individual control and usually independent of performance deficits (Folger & Skarlicki, 1998; Molinsky & Margolis, 2005). As indicated by interviews with layoff agents conducted by Kets de Vries and Balazs (1997), undertaking the role of a layoff agent can violate a manager's role perception as a supportive leader, arouse feelings of role ambiguity, and impair confidence in one's ability to conduct this task. Furthermore, managers may also feel conflicted between the company's business objectives and employees' well-being, i.e. the opposing expectations of the two parties. Accordingly, being a layoff agent has been related to managers distancing themselves from the laid-off employees (Clair & Dufresne, 2004; Folger & Skarlicki, 1998) in order to avoid feelings of emotional discomfort and confrontation with negative employee reactions. Unfortunately, managers' concerns often hinder them from giving the bad news of a layoff in a fair and sensitive way (Folger & Skarlicki, 1998). Research has shown that employees and their representatives often consider it necessary to take legal steps against the employer following unfair layoff procedures (Konovsky & Folger, 1991; Wanberg et al., 1999). Such organizational justice deficits in conducting layoffs are also reflected in German labor court statistics (Destatis, 2015): Since 2010, about 400,000 labor court proceedings have been completed every year, around 50 percent of which were brought against the employer for layoff reasons. In 2014, for instance, 201,354 of 392,061 (51 %) completed proceedings were submitted for layoff reasons.

To summarize, the first component of organizational bad news training (i.e., the bad news delivery component) should provide the layoff agent with knowledge about the formal delivery of layoff news by using the step-by-step protocol described previously. These systematic guidelines should improve their performance during a dismissal notification meeting. Furthermore, information about their role and about ways to manage critical employee reactions should give layoff agents an idea about what might happen during the bad news conversation. This should provide them with a sense of personal control, which should in turn mitigate their feelings of stress and emotional discomfort in giving bad news (Tetrick & LaRocco, 1987). The second component of organizational bad news training (i.e., the fairness component) should teach layoff agents ways in which to enact procedural fairness principles (Leventhal, 1980) while delivering layoff news. This should improve the perceived fairness of the notification procedure and, as a result, mitigate negative employee reactions, given the findings that procedural fairness has a positive impact on laid-off employees' emotional reactions (e.g., anger; Barclay et al., 2005) and attitudes (e.g., desire to complain or to take legal action; Konovsky & Folger, 1991; Wanberg et al., 1999).

Study 1 was designed to test the overall effectiveness of organizational bad news training. For this purpose, a training group was provided with complete organizational bad news training, which included both the bad news delivery and the fairness components, and compared with a no-training control group. Following this, Study 2 was designed to identify the specific impact of the two components. For this purpose, three experimental groups were needed: (a) a training group that was provided with both the bad news delivery and the fairness components of organizational bad news training, (b) a basics group that was provided with the bad news delivery component only, and (c) a control group that was provided with neither of the components. Given the expected effect of the training components, the formal delivery of layoff news should improve, and feelings of emotional discomfort should

decrease for the training group and the basics group compared to the control group. However, the enactment of procedural fairness should improve only for the training group, and layoff victims' negative reactions should also decrease only for the training group as compared to both the basics group and the control group. Finally, given that practical rehearsal is an important means to create proficiency and confidence in being able to perform a task successfully (Bandura, 1997), layoff agents' confidence in their ability to deliver layoff news should improve for the training group if only the training group is given the opportunity to exercise the task as compared to the basics group and the control group. Based on the above discussion, we therefore make the following hypotheses:

H1: Layoff agents' formal delivery of layoff news improves for (a) a training group and (b) a basics group, as compared to a control group.

H2: Layoff agents' feelings of emotional discomfort in delivering layoff news decrease for (a) a training group and (b) a basics group, as compared to a control group.

H3: Layoff agents' confidence in their ability to deliver layoff news improves for a training group as compared to (a) a control group and (b) a basics group.

H4: Layoff agents' procedural fairness in delivering layoff news improves for a training group as compared to (a) a control group and (b) a basics group.

H5: (a) Layoff victims dismissed by a training group report less negativity towards the employer than those dismissed by a basics group and a control group, and (b) this effect is mediated by layoff victims' perceptions of procedural fairness.

Study 1

In Study 1, we compared the performance of a training group with a no-training control group in a simulated bad news conversation (i.e., dismissal notification meeting) in order to test H1a, H2a, H3a, and H4a. We chose a laboratory setting to evaluate the effectiveness of training for three reasons. First, it allowed us to randomly assign participants to the training

conditions. It would hardly be possible, and would also be ethically problematic, to withhold training from a sample of managers conducting operational layoffs. Second, laboratory settings and role-playing exercises allow trainees to practice new skills without risking harm due to improper treatment (Skarlicki & Latham, 2005), which is also the reason why health care researchers typically simulate doctor-patient interviews using actors or student peers as role-players (e.g., Baer et al., 2008; Bonnaud-Antignac et al., 2010). Third, as organizational bad news training has not yet been studied, we decided to begin this research in a laboratory setting to gain an impression about its effectiveness and applicability.

Method

Participants and design. The sample consisted of 51 participants (30 females, 21 males) with a mean age of 27.18 years ($SD = 6.33$). Forty-three were students on a Bachelor, Master, or PhD course at a German university (72 % studied psychology), and eight were professionals from start-up companies located at the campus. Thirty-eight participants (74 %) worked at least part-time, and a considerable number of respondents had some kind of layoff experience: Eight (16 %) reported that they had been laid off in the past, 25 (49 %) had witnessed at least one layoff in a close relationship (e.g., family member or close friend), and 28 (55 %) had witnessed at least one layoff in a more distant relationship.

All participants had to formally register for a training session and were randomly chosen for the training group or the control group, respectively. Training was announced as a workshop to practice conduct in critical leader-member interactions. Participants in the training group received training in a traditional classroom setting and performed a dismissal notification meeting in an individual role-play session about five days later. Participants in the control group performed the dismissal meeting without training.

Training intervention. Classroom training consisted of a half-day workshop and comprised five learning modules (for details, see Table 1). In *Module 1*, trainees were

provided with information about their role as a layoff agent and the challenges of giving bad news. In *Module 2*, trainees were taught how to enact procedural fairness principles while delivering layoff news (Leventhal, 1980). For example, they learned how to provide adequate and reasonable explanations for the layoff reasons in order to fulfill the accuracy principle. In *Module 3*, we explained the step-by-step protocol of giving bad news at work (e.g., delivering the bad news immediately). *Module 4* described emotional reactions that might be expressed by employees in response to bad news (i.e., shock, anger, negotiation) and how to deal with them. In *Module 5*, trainees were asked to take the perspective of either the manager or the employee in a dismissal meeting and to act according to these roles in two peer role-plays.

Testing scenario.[1] All participants were assigned to the role of the leading manager of the customer support division of a mobile telephone provider. They were informed that due to changing market conditions, the company had reported declines in sales and that top management had decided upon strategic restructuring and headcount reduction. Participants then were asked to conduct a dismissal meeting with Mrs. (or Mr.) Brauer, a 29-year-old employee who had been employed at the company for five years. A small conference table had been prepared and participants were given some time to plan the conversation. They were also advised to conduct the meeting professionally because they would receive feedback afterwards.

Mrs. (or Mr.) Brauer was represented by one of five role-players, henceforth referred to as the layoff victim. We chose both male and female victims to account for any differential reactions of participants towards men or women losing their jobs. In a preliminary training session, layoff victims had been informed about their role and trained to play a shocked and stunned employee. To realize semi-standardized interviews, they had been taught a protocol of predetermined statements which had to be made in each dismissal meeting (i.e., "You can't be serious!", "What did I do wrong?", "Why me?", "But we have just taken out a loan. I

thought we had a good relationship!", "What shall I do now?", "I can't manage this!", "This

is too much for me!", "What will this do to me?", "And if I kill myself?").[2]

During the conversation, an observer monitored the participants' performance. The

observer was hidden in the background, invisible to the participants and thus unable to

unwittingly influence or coach their performance through nonverbal communications (e.g.,

facial expressions). Both the observer and the layoff victims were blind to the participants'

training condition; the participants themselves were also unaware of the existence of different

training conditions. Immediately after the dismissal meeting, the dependent variables were

measured. Finally, participants received feedback about their performance, were debriefed

about their experiences during the simulation and the purpose of the study, and offered a

follow-up talk if necessary. The whole procedure lasted for approximately 30 minutes.

Measures.[3] All dependent measures were collected after the dismissal meeting. Unless

otherwise specified, all scales used 5-point Likert scales ranging from 1 = "strongly disagree"

to 5 ="strongly agree".

Data from self-reports. Participants' feelings of emotional discomfort were measured

in terms of *negative affect* using a subscale of the Positive and Negative Affect Schedule

(PANAS; Watson, Clark, & Tellegen, 1988). Negative affect was assessed on ten adjectives

(e.g., "distressed"), using a 5-point scale (1 = "not at all" to 5 = "extremely"). Participants'

confidence in their ability to deliver layoff news was assessed with six items developed for

the purpose of this study (e.g., "I felt capable of conducting the dismissal meeting").

Data from the layoff observer. The observer indicated participants' *formal delivery of*

bad news on twelve items; on dichotomous scales (1 = "yes, 2 = "no"), six items measured

the *elements* of the dismissal meeting referring to the step-by-step protocol of giving bad

news (e.g., "Delivered the layoff message within the first five sentences"); on 5-point Likert

scales, six items assessed the *flexibility* in applying this protocol (e.g., "Responded to the

employee's behavior flexibly). Additionally, the observer evaluated participants' enactment

of *procedural fairness* (Leventhal, 1980). A multi-item measure was developed for the

purpose of this study: *Consistency* was measured with three items (e.g., "Remained

binding"), bias suppression ("Based the conversation on occupational grounds only"),

ethicality (e.g., "Behaved in a polite and respectful manner") and *representativeness* (e.g.,

"Facilitated the employee to express his/her views and feelings") with four items each, and

accuracy (e.g., "Tailored the explanations to the employee's specific needs") with six items.

Results and Discussion

Means, standard deviations and correlations among the variables are displayed in Table

2. We used independent samples t-tests to test H1a, H2a, and H3a (see Table 3 for results).[4]

In terms of layoff agents' formal delivery of bad news, we analyzed the observer's perception

of participants' compliance with the elements of the step-by-step protocol of giving bad news

and their flexibility in applying this protocol. As predicted, analyses revealed significant

effects of training condition on elements and flexibility, indicating that the training group

complied better with the elements of the step-by-step protocol and was also more flexible in

applying the protocol than the control group. H1a was therefore supported. However, training

did not reduce participants' negative affect and also did not improve their confidence in their

ability to deliver layoff news (all p's > .05); H2a and H3a were therefore not supported.

Due to theoretical and methodological relationships among the procedural fairness

variables, we used multivariate analyses of variance (MANOVA) to test H4a. MANOVA

results for the observer data revealed a significant multivariate effect of training condition on

the combined procedural fairness principles, Wilks' $\Lambda = .48$, $F(5,45) = 9.81$, $p < .01$, $\eta^2 = .52$,

indicating that the two groups differed significantly in terms of their enactment of the

procedural fairness principles. Follow-up independent samples t-tests revealed significant

effects of training condition on each procedural fairness principle (see Table 3 for results).

From the observer's perspective, training improved layoff agents' enactment of fairness during the dismissal meeting procedure: Trainees delivered the layoff more consistently (consistency) and impartially (bias suppression) than non-trainees. The training group also outperformed the control group in providing adequate explanations (accuracy), allowing layoff victims to voice their views and feelings (representativeness), and treating them with respect (ethicality), thus fully supporting H4a. However, multiple t-tests as follow-up tests to a MANOVA suffer from the methodological limitation of ignoring correlations among dependent variables, unlike relative weight analysis applied to MANOVA (Tonidandel & LeBreton, 2013). Relative weight analysis allowed us to determine the relative contribution of each fairness variable to the overall multivariate effect of training (again see Table 3), taking these correlations into account. The highest relative weights were found for consistency and bias suppression, with 21 % and 14 % of variance accounted for by training condition, respectively. Thus, layoff agents' enactment of consistency and impartiality seem to be the most important factors in determining the perceived procedural fairness of a layoff.

In summary, although training was not effective in reducing participants' self-reported negative affect or in increasing their confidence, Study 1 demonstrated the overall effectiveness of organizational bad news training on participants' performance from an observer's perspective: Training improved not only layoff agents' formal delivery of bad news, but also their enactment of procedural fairness principles (Leventhal, 1980) while delivering layoff news from an observer's viewpoint. Nevertheless, it remained unclear which underlying mechanism produced the positive effects of training, i.e. whether it was the bad news delivery aspect or the fairness aspect of organizational bad news training. More specifically, did training work because of participants' increase in knowledge about the formal delivery of bad news at work or because of their enactment of procedural fairness while communicating the bad news? Study 2 was designed to address this question.

Study 2

In Study 2, we extended our design to three training conditions, comparing a training group with a basics group and a control group. Similar to Study 1, the training group received both the bad news delivery and the fairness components of organizational bad news training. The basics group, by contrast, was only provided with the bad news delivery component, and not with the fairness component. Together with a no-training control group, we were now able to identify the effectiveness of the two components of organizational bad news training. We again used a layoff as an appropriate bad news event in order to test H1 to H4. Furthermore, to test H5, we also addressed layoff victims' negativity in terms of their anger, their intent to complain, and their intent to take legal action against their employer.

Method

Participants and design. The sample consisted of 75 young adults (46 females, 29 males) with a mean age of 23.49 years ($SD = 4.38$). All of them were students on a Bachelor, Master or PhD course at a German university from different subject areas (e.g., 55 % psychology, 17 % economics and law, 7 % education, 5 % computer science); forty (53 %) worked at least part-time. Fifteen respondents (20 %) reported that they had been laid off in the past, 35 (47 %) had witnessed at least one layoff in a close relationship (e.g., family member or close friend) and 45 (60 %) in a more remote relationship (e.g., distant acquaintances), and five (7 %) had laid off someone else in the past.

Participants were assigned to either a training group ($n = 25$), a basics group ($n = 25$), or a control group ($n = 25$). All of them had to perform a dismissal meeting in a face-to-face role-play; for the training group and the basics group, the role-play took place about four days after the intervention.

Training intervention. Participants in the training group were provided with both the bad news delivery and the fairness components of organizational bad news training. Training

comprised the same five modules as provided in Study 1 (see Table 1), but this time we used web-based training to meet current organizational requirements of flexible learning on demand (DeRouin, Fritzsche, & Salas, 2005). To increase trainees' motivation, we integrated a mixture of text, graphics, audio and video clips as well as learning games. For example, textual materials provided information about the step-by-step protocol of giving bad news at work and video clips illustrated the enactment of procedural fairness principles. We also included real-time video conferencing with one of our trainers to realize the rehearsal exercise. Trainees spent an average of three hours on the e-learning.

Basics intervention. Participants in the basics group were only provided with the bad news delivery component of organizational bad news training. Similar to those in the training group, participants were informed about their role as a layoff agent, the step-by-step protocol of giving bad news, and the management of critical employee reactions (Modules 1, 3, and 4). However, they were not taught about procedural fairness and its enactment (Module 2), and they also did not undergo rehearsal (Module 5). The basics group received textual materials and graphics only. Participants spent an average of half an hour on the materials.

Testing scenario. The testing procedure corresponded exactly with that of Study 1. All participants were assigned to the role of a manager and asked to conduct a dismissal meeting with an employee named Mrs. Brauer, played by two female role-players. We only used females because Study 1 found no gender effects on any of the dependent measures. Layoff victims had again been trained to act in a shocked manner using the same script as in Study 1. Identical to Study 1, both the observer and the layoff victims were blind to the participants' training condition; the participants themselves were also unaware of the existence of different training conditions. Dependent measures were collected immediately after the dismissal meeting, except feelings of emotional discomfort, which were measured before (i.e., negative affect scale) and after the meeting (i.e., distress scale). Finally, participants received feedback

about their performance, were debriefed about their feelings and experiences during the

simulation as well as the study objectives, and offered a follow-up talk if necessary.

Measures. Three different sources of variance were used: data from self-reports, from

the observer, and from the layoff victim. Unless otherwise specified, all measures and scales

were identical to Study 1. All new scales used 5-point Likert scales ranging from 1 =

"strongly disagree" to 5 = "strongly agree".

Data from self-reports. Participants' feelings of emotional discomfort prior to the

dismissal meeting were measured in terms of negative affect using the negative PANAS

subscale reported in Study 1. To measure feelings of discomfort after the dismissal meeting,

we developed a *distress* scale measuring participants' reluctance to give bad news with six

items (e.g., "I didn't like giving layoff news to the employee") based on Cox, Marler,

Simmering, and Totten (2011). Additionally, participants' confidence in their ability to

deliver layoff news was assessed with the same six items used in Study 1.

Data from the layoff observer. The observer rated participants' formal delivery of

layoff news on the elements and the flexibility scales used in Study 1. The observer also

evaluated participants' enactment of procedural fairness on the scales used in Study 1.

However, we reformulated some items of our multi-item measure to increase correspondence

with existing scales (Colquitt, 2001). For instance, the ethicality item of Study 1 "Behaved in

a polite and respectful manner" was split up into "Treated the employee in a polite manner"

and "Treated the employee with respect" (cf. Colquitt, 2001).

Data from the layoff victims. The layoff victims evaluated participants' performance

according to the enactment of procedural fairness principles using the same scales as those

for the observer. Inter-rater (victim-observer) reliability of the scale scores was $r = .56$ for

consistency, $r = .64$ for bias suppression, $r = .84$ for accuracy, $r = .84$ for representativeness,

and $r = .82$ for ethicality (all p's < .01). However, we computed separate scores for the

observer and victim data due to their passive or active role during the dismissal meeting, respectively, and the consequently different emotional quality of their ratings. Additionally, we measured the layoff victims' negativity towards the former employer: *Anger* was measured with four items (i.e., "I feel outrage towards the company"), *complain* with four items (i.e., "I would complain to friends about this employer"), and *legal action* with five items (i.e., "I would consider taking legal action") taken from Wood and Karau (2009).

Results and Discussion

Means, standard deviations, and correlations among the variables are shown in Table 4. We used planned contrast analyses to test our hypotheses (reported in Table 5). Following the process recommended by Furr and Rosenthal (2003), we translated the predicted group means into contrast weights (Contrast A to Contrast E for the five hypotheses) and then computed significance tests and effect sizes (i.e., $r_{contrast}$). Given the following contrasts (a_1 a_2 a_3), please note that the first index (a_1) always displays the value for the control group, the second (a_2) the value for the basics group, and the third (a_3) the value for the training group.

We first tested H1, that participants' formal delivery of layoff news during the dismissal meeting should be higher in the training group and the basics group than in the control group. We used Contrast A (-2 1 1) to compare the control group with the other two groups. In support of H1, we found significant effects for elements and flexibility. From an observer's perspective, the training group and the basics group complied better with the elements of the step-by-step protocol of giving bad news and were also more flexible in applying the protocol than the control group. Nevertheless, additional analyses showed that the training group was still more flexible than the basics group, $t(72) = 2.87$, $p < .01$, $r_c = .32$.

H2 stated that participants' feelings of emotional discomfort should be lower in the training group and basics group than in the control group. We used Contrast B (2 -1 -1) to

compare the control group with the other two groups and did not find significant effects either for participants' negative affect measured before the dismissal meeting or for their distress measured after the dismissal meeting, thus not supporting H2. However, an additional contrast analysis showed that the training group reported less negative affect before the dismissal meeting than the basics group and the control group, $t(72) = 2.04$, $p < .05$, $r_{contrast} = .23$. Nevertheless, all participants felt equally distressed afterwards.

Regarding H3, Contrast C (-1 -1 2) tested the assumption that participants' confidence should be higher in the training group than in the other two groups. However, we found no significant effect, thus failing to confirm H3.

We then tested H4, that participants' procedural fairness during the dismissal meeting should be higher in the training group compared to the basics group and the control group. We used multivariate contrast analyses to test for group differences for the combined procedural fairness principles, followed by univariate contrast analyses for the separate effects. Contrast D (-1 -1 2) compared the training group with the other two groups and was significant for both the observer data, Wilks' $\Lambda = .28$, $F(5,68) = 35.64$, $p < .01$, $\eta^2 = .72$, and the layoff victim data, Wilks' $\Lambda = .62$, $F(5,68) = 8.47$, $p < .01$, $\eta^2 = .38$. Subsequent univariate contrasts were significant for each fairness principle, indicating that the training group showed more consistency, impartiality, accuracy, representativeness, and ethicality during the dismissal meeting than the other two groups. Thus, H4 was fully supported. To determine the relative importance of each fairness variable for the overall fairness effect, we again applied relative weight analysis (Tonidandel & LeBreton, 2013), comparing the results of the training with the other two groups. For the observer data, the highest relative weights were found for bias suppression (33 %) and consistency (15 %). For the layoff victim data, we also found the highest relative weights for bias suppression (14 %) and consistency (14

%). Similar to Study 1, enactment of impartiality and consistency were the most important factors in determining the overall procedural fairness of a layoff.

Regarding H5a, we analyzed whether layoff victims report less negativity towards the employer if dismissed by the training group as compared to the basics group and the control group. We used multivariate and follow-up univariate contrast analyses to test for group differences for the three negativity measures (i.e., anger, complain, legal action). Multivariate Contrast E (1 1 -2) compared the training group with the other two groups and was found to be significant, Wilks' Λ = .81, $F(3,70)$ = 5.55, p < .01, η^2 = .19, with follow-up univariate contrasts showing significance for all negativity measures: In support of H5a, layoff victims were less angry and less willing to complain or to take the employer to court when their layoff agent had been trained. We used a bias-corrected bootstrapping approach with 5,000 bootstrap samples (Preacher & Hayes, 2004) to test whether the relationships between training condition and negativity were mediated by layoff victims' perceptions of procedural fairness. Table 6 displays the results of the mediation analyses: The indirect effects of training condition on all negativity measures via procedural fairness were significant (for anger, indirect effect = -1.04, SE = .20, 95% CI [-1.44, -0.65]; for complain, indirect effect = -0.86; SE = .18, 95% CI [-1.22, -0.51]; for legal action, indirect effect = -1.07, SE = .22, 95% CI [-1.54, -0.64]). Sobel tests confirmed these findings, and H5b was thus supported.

In summary, providing messengers with the bad news delivery component of organizational bad news training improved the formal delivery of layoff news in a dismissal meeting for both the training group and the basics group as compared to the control group. However, only the fairness component of training was effective in improving the procedural fairness of a dismissal meeting, given the finding that the training group outperformed the other two groups with regard to the enactment of procedural fairness from both the observer's and the layoff victims' perspective. Thus, providing messengers with some kind of checklist,

as often used in practice, seems to be insufficient to reach the best performance. Given the significant mediation effect, the impression of a fair layoff procedure was also responsible for layoff victims' lowered negative responses to their employer, thus highlighting that it is particularly the fairness mechanism that drives the positive effects of training (Barclay et al., 2005; Konovsky & Folger, 1991). Furthermore, although training was again not successful in improving messengers' confidence or in reducing their distress after the bad news conversation, it turned out to be useful for reducing negative affect beforehand.

General Discussion

Giving bad news to an employee is a difficult, but common management task (Molinsky & Margolis, 2005). Organizational bad news training was suggested to improve messengers' performance in giving bad news, to increase impressions of fairness during a bad news conversation, and thus to have a positive impact on both the messengers' (e.g., feelings of emotional discomfort) and the recipients' outcomes (e.g., negative responses towards the employer). Across two studies, we applied organizational bad news training to the layoff context and found evidence that training had positive effects particularly on layoff agents' formal and fair performance in giving bad news and on layoff victims' responses afterwards.

Given these findings, our first test of the effectiveness of organizational bad news training seems to have been successful, thus clearly extending previous research. We successfully integrated principles of delivering bad news from the context of health care (Baile et al., 2000; Rosenbaum et al., 2004) and principles of organizational justice theory (Colquitt, 2001; Leventhal, 1980) and applied it to both a typical and one of the most challenging bad news events at work—delivering layoff news to an employee. By integrating a basics group in Study 2, which received only one component of organizational bad news training, it was furthermore possible to demonstrate that the two main components of training fulfilled specific purposes. Whereas the bad news delivery component provided knowledge

about the delivery of bad news and particularly improved messengers' formal performance in a bad news conversation, it was especially the fairness component of training which facilitated the display of fair behavior and thus reduced negative reactions of the recipients. Previous research (Konovsky & Folger, 1991; Wanberg et al., 1999) has already shown that a lack of fairness can be associated with managers disregarding employees' needs and can therefore elicit negative employee reactions. In line with this, our mediation analyses confirmed that it was indeed recipients' perceived fairness that reduced their negative responses to the bad news. Thus, emphasizing fairness elements while giving bad news seems to be an encouraging way to mitigate employees' harmful behaviors such as complaining about the employer and, thus, to maintain favorable organizational outcomes.

However, positive effects of organizational bad news training on messengers' subjective outcomes were less evident. Although we were able to reduce layoff agents' negative affect before the bad news conversation with the help of training, the implementation of the layoff remained difficult for all participants: Training affected neither their confidence in their ability to deliver layoff news nor their feelings of emotional discomfort after the dismissal meeting in either study. The simulated environment and limitations concerning training intensity and practical experiences may have contributed to the lack of effects on these subjective outcomes. When conducting real layoffs, managers will most likely experience higher emotional drain and may therefore benefit more directly from training. Nevertheless, it also seems reasonable that although training can be useful for increasing knowledge and skills in conducting a bad news conversation fairly, the situation itself may remain aversive, particularly with regard to layoffs. Despite training, it may still be difficult to express a layoff decision transparently, to bear an employee's emotional reactions, and to show appreciation for an employee's work which is no longer required. Thus, giving bad news will likely never be an enjoyable task.

A particular strength of our studies is that we used observer and layoff victim data to determine whether training was successful rather than relying solely on self-reports, thus avoiding common method variance. We also developed multi-item scales for Leventhal's (1980) procedural fairness principles, allowing us to address both the structural and social aspects of procedural fairness independently, instead of computing a generic procedural fairness score. Moreover, we used two different training modalities to test the effectiveness of organizational bad news training. Although web- or computer-based training is usually applied to teach technical skills (DeRouin et al., 2005), our results suggest that even interpersonal behaviors such as the enactment of fairness can improve if participants are provided with interactive elements, face-to-face role-play exercises, and feedback.

The main limitation of both studies is the use of a laboratory setting. Young adults (many of them employed and reporting past experiences with observing layoffs) were assigned to training, basics or control conditions, subsequently performing a manager's task of delivering layoff news without having experience in a managerial role. Although we would welcome a replication in the field, the intention of observing true layoffs would appear to be fairly unrealistic, and we doubt that any organization would support this research due to the sensitivity of company data. There is also an ethical problem of not offering training to a control group of managers who have to lay off employees, especially since both of our studies suggest that positive effects of such training can be expected for both managers and employees. The use of a less delicate subject, for instance applying organizational bad news training to the task of giving negative performance feedback (Holbrook, 1999; Ilgen & Davis, 2000), might allow field tests of training effectiveness. In the critical context of layoffs, however, using an experimental design and simulations to illustrate a dismissal meeting allowed us to determine causal effects of training on messengers' performance. Although true layoff agents may have to deal with more diverse and more intense emotional reactions in

practice, standardized tasks provide comparable testing situations, and performance in these tasks can be a good indicator of participants' actual performance. Furthermore, attending or recording real dismissal meetings would have been impossible due to privacy policies as well as ethical and moral responsibilities towards those laid off, especially if the layoff agents are in the process of learning and are still inexperienced. This is likely the reason why physicians often test the effectiveness of student or resident training for the disclosure of bad health news using peer role-plays or standardized role-plays with simulated patients or actors (e.g. Baer et al., 2008; Bonnaud-Antignac et al., 2010). Nevertheless, subject matter experts evaluated our training concept as fairly applicable to practice and the dismissal meetings as fairly realistic, thus resolving some concerns about the artificiality of our research.[5]

Future research should test the effectiveness of organizational bad news training for less delicate leader-member communications. For instance, considering managers' performance in giving negative performance feedback to an employee in order to evaluate HR measures might provide a rationale to test the effectiveness of training and thus allow for field studies. Such evidence from less critical contexts might convince organizations and managers to take part in future field studies focusing on layoffs. Future research should also test the usefulness of training in terms of dealing with more diverse employee reactions (e.g., anger, negotiation) as well as the effectiveness of more intensive training. More practical exercises could be provided in order to increase messengers' mastery experience and self-efficacy expectations (Bandura, 1997), and a clearer discussion of the concerns in giving bad news (Rosen & Tesser, 1970) could be integrated in order to reduce messengers' feelings of stress and emotional discomfort. Furthermore, it could be interesting to test the impact of additional interventions. For example, providing supervision by an experienced manager or consultant as a mentor before (e.g., for preparation) and after (e.g., for debriefing) a bad news conversation may be useful for sharing and qualifying experiences and thus for reducing

feelings of stress. We also do not know anything about the persistence of training effects, for example whether participants are able to recall knowledge about the formal delivery of bad news and procedural fairness principles if necessary.

In practical terms, our studies can be used to encourage organizations to implement organizational bad news training in human resource development, not only for the purpose of preparing managers for conducting layoffs, but also for improving critical leader-member interactions in general. Since managers have to give bad news to their employees regularly (e.g., performance reviews, working overtime), preserving positive relationships between the employees on the one hand and the managers or the organization, respectively, on the other should be a common goal. Organizational bad news training should therefore be provided to managers not only right before a bad news event, but rather continuously as a part of their leadership development. Since our studies showed that training can be used to make the delivery of bad news both more structured and fairer, and also that negative responses of the recipients may be reduced, it is likely that organizations will benefit from implementing organizational bad news training as well: If an employer is perceived as being fair, employees might react with fewer harmful behaviors, thus improving or maintaining positive organizational outcomes (Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

In conclusion, much work has been done on describing the negative consequences of unfairness or the positive consequences of fairness when implementing unfavorable outcomes at work (Gilliland, 1994; Holbrook, 1999; Konovsky & Folger, 1991). Given the commonness of bad news conversations between supervisors and their employees, however, much work remains to be done on preparing managers for this challenging task in order to avoid these negative consequences. Organizational bad news training that focuses on both delivery and fairness issues in giving bad news seems to be a promising way to minimize harm for all involved.

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Footnotes

[1] The scenario used in Studies 1 and 2 is available online as supplemental materials (Supplement A).

[2] Layoff victims' statements were inspired from practical reports of managers and consultants (Andrzejewski & Refisch, 2015; Richter & König, 2013). Although the reaction "And if I kill myself?" might seem very challenging to the reader, Andrzejewski and Refisch caution managers to take suicidal intentions seriously, and this problem is also addressed in the movie *Up in the Air* (Dubiecki et al., 2009) cited at the beginning of the article.

[3] More detailed information about the items developed for Studies 1 and 2 is available online as supplemental materials (Supplement B). Unfortunately, we had to exclude the layoff victims' ratings of procedural fairness in Study 1 because of poor scale quality. As a consequence, we reduced the number of role-players in Study 2 to improve rating quality.

[4] In Study 1, we also computed all analyses adding participants' past layoff experiences and gender as covariates because experiences with layoffs might have shaped their attitudes towards downsizing and therefore their performance in the dismissal meeting (Sronce & McKinley, 2006) and because women might have been more empathic and supportive than men towards the layoff victim (Trobst, Collins, & Embree, 1994). We also included layoff victims' gender as a covariate because participants might have responded differentially towards a man or a woman losing his/her job. We did not find any significant changes in our results considering the covariates, except for participants' confidence which turned significant ($p = .04$). In Study 2, considering covariates did not change the results at all.

[5] Further information about the quality checks with subject matter experts is available online as supplemental materials (Supplement C).

Table 1

Training Modules for Studies 1 and 2

No.	Module	Description	Method Study 1	Method Study 2	Condition
1	Role of a layoff agent	Information about layoffs, the role and responsibilities of a leader and a layoff agent	Lecture	Lecture	Training Basics
2	Fairness and communication	Importance and enactment of procedural fairness principles: • Consistency (e.g., be coherent, be unambiguous) • Bias suppression (e.g., be objective, be impartial) • Accuracy (e.g., provide reasonable explanations) • Representativeness (e.g., allow voice, active listening) • Ethicality (e.g., mention contributions, be polite)	Lecture Discussion	Lecture Video aids	Training
3	Formal delivery of bad news	Step-by-step protocol of giving bad news: 1. Arranging the setting (e.g., private room) 2. Delivering the bad news immediately 3. Explaining the reasons for the decision in detail 4. Managing the employee's emotions 5. Future planning / follow-up measures (e.g., job coaching) 6. Summary / finishing the meeting	Lecture Discussion	Lecture Video aids	Training Basics
4	Employee reactions	Coping with employee reactions (i.e., shock, anger, negotiation)	Lecture Discussion	Lecture Written exercise	Training Basics
5	Rehearsal	Practicing a dismissal meeting in a role-playing exercise Behavioral feedback from a trainer	Live role-play Feedback	Virtual role-play Feedback	Training

Note. In Study 2, discussion elements from classroom training in Study 1 were replaced with visual materials (e.g., clips and videos) or written exercises (e.g., quiz). The basics group received only written information about the modules and no discussion or visual aids as compared to the training group. The rehearsal during the training intervention was different from the simulated dismissal meeting during the testing sessions. The testing happened live in both studies.

Table 2

Means, Standard Deviations, and Zero-Order Correlations (Study 1)

Variable	*M*	*SD*	1	2	3	4	5	6	7	8	9	10
1. Condition	.51	.50	—									
Layoff agent self-reports												
2. Negative affect	2.34	0.64	–.09	(.84)								
3. Confidence	3.19	0.71	.27	–.36**	(.85)							
Layoff observer ratings												
4. Elements	4.53	1.29	.62**	–.13	.31*	—						
5. Flexibility	3.56	0.66	.64**	–.26	.20	.83**	(.74)					
6. Consistency	3.77	0.78	.68**	–.31*	.18	.60**	.73**	(.82)				
7. Bias suppression	3.75	0.83	.64**	–.20	.04	.64**	.74**	.77**	(.81)			
8. Accuracy	3.58	0.65	.60**	–.04	.20	.78**	.75**	.72**	.72**	(.77)		
9. Representativeness	3.48	0.73	.48**	–.08	.21	.55**	.58**	.47**	.46**	.57**	(.74)	
10. Ethicality	3.82	0.83	.47**	–.29*	.08	.52**	.58**	.63**	.63**	.68**	.52**	(.79)

Note. $N = 51$. Condition: 0 = control group, 1 = training group. Elements = whether participants complied with the elements of the step-by-step protocol of giving bad news; Flexibility = whether participants used the protocol in a flexible way. Cronbach's alpha coefficients are displayed in parentheses where applicable.
* $p < .05$. ** $p < .01$.

Table 3

Results of t-Tests and Relative Weights (Study 1)

	Condition				t-Test		Relative weight	Confidence interval	
	Control (*n* = 25)		Training (*n* = 26)						
	M	*SD*	*M*	*SD*	*t*(49)	*d*		Lower 95% CI	Upper 95% CI
Layoff agent self-reports									
Negative affect	2.40	0.69	2.28	0.59	–0.66	–0.19			
Confidence[a]	3.00	0.70	3.39	0.69	1.98	0.56			
Layoff observer ratings									
Formal delivery									
Elements	3.72	1.17	5.31	0.84	5.58**	1.56			
Flexibility	3.13	0.61	3.97	0.39	5.85**	1.64			
Procedural fairness									
Consistency	3.24	0.70	4.28	0.42	6.46**	1.80	.205	.079	.359
Bias suppression	3.21	0.84	4.26	0.38	5.81**	1.61	.138	.032	.298
Accuracy	3.18	0.56	3.95	0.50	5.22**	1.45	.088	.014	.209
Representativeness	3.13	0.68	3.82	0.61	3.79**	1.07	.070	.002	.189
Ethicality	3.43	0.90	4.20	0.56	3.71**	1.03	.021	< .001	.121

Note. Elements = whether participants complied with the elements of the step-by-step protocol of giving bad news; Flexibility = whether participants used the protocol in a flexible way. Relative weight analysis was only computed for the procedural fairness variables. Raw weights and 95% confidence interval around the raw weights are displayed.

[a] One participant did not provide confidence information, resulting in *df* = 48 for this variable.

* *p* < .05. ** *p* < .01.

Table 4

Means, Standard Deviations, and Zero-Order Correlations (Study 2)

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1. Condition	1.00	0.82	—																		
Layoff agent self-reports																					
2. Negative affect	2.29	0.58	−.26*	(.79)																	
3. Distress	3.78	0.86	.02	.56**	(.87)																
4. Confidence	3.28	0.74	.05	−.42**	−.51**	(.85)															
Layoff observer ratings																					
5. Elements	4.77	1.21	.68**	−.12	−.14	.10	—														
6. Flexibility	3.57	0.62	.63**	−.16	−.09	.24*	.76**	(.73)													
7. Consistency	3.84	0.72	.73**	−.23*	−.01	.16	.54**	.63**	(.89)												
8. Bias suppression	3.51	0.70	.76**	−.19	−.00	.13	.52**	.68**	.85**	(.83)											
9. Accuracy	3.00	0.76	.57**	−.10	.11	.16	.51**	.77**	.62**	.69**	(.93)										
10. Representativeness	3.28	1.04	.52**	−.10	.15	.11	.43**	.62**	.55**	.64**	.79**	(.94)									
11. Ethicality	3.54	0.87	.43**	−.03	.21	.06	.30**	.53**	.49**	.62**	.79**	.85**	(.94)								
Layoff victim ratings																					
12. Consistency	3.94	0.48	.49**	−.01	.16	.14	.41**	.62**	.56**	.63**	.70**	.57**	.64**	(.82)							
13. Bias suppression	3.65	0.61	.50**	−.13	.15	.11	.41**	.53**	.57**	.64**	.64**	.64**	.63**	.58**	(.70)						
14. Accuracy	3.16	0.79	.34**	−.05	.17	.16	.32**	.60**	.47**	.49**	.84**	.73**	.78**	.65**	.72**	(.93)					
15. Representativeness	3.38	1.00	.31**	.03	.18	.06	.29*	.48**	.46**	.51**	.64**	.84**	.77**	.52**	.68**	.72**	(.94)				
16. Ethicality	3.77	0.82	.25*	.05	.23*	.06	.25*	.41**	.34**	.42**	.68**	.78**	.82**	.54**	.67**	.81**	.81**	(.93)			
17. Anger	3.06	0.99	−.33**	−.06	−.26*	.05	−.34**	−.50**	−.45**	−.50**	−.65**	−.69**	−.71**	−.57**	−.78**	−.78**	−.80**	−.84**	(.96)		
18. Complain	3.07	0.82	−.34**	−.01	−.24*	.01	−.32**	−.49**	−.48**	−.51**	−.65**	−.74**	−.71**	−.55**	−.78**	−.80**	−.82**	−.84**	.94**	(.92)	
19. Legal action	2.95	1.11	−.32**	−.00	−.25*	.05	−.28*	−.39**	−.39**	−.43**	−.57**	−.66**	−.65**	−.51**	−.78**	−.73**	−.75**	−.78**	.92**	.89**	(.97)

Note. N = 75. Condition: 0 = control group, 1 = basics group, 2 = training group. Elements = whether participants complied with the elements of the step-by-step protocol of giving bad news; Flexibility = whether participants used the protocol in a flexible way. All measures were collected after the bad news conversation, except negative affect, which was measured beforehand. Cronbach's alpha coefficients are displayed in parentheses where applicable.
* $p < .05$. ** $p < .01$.

Table 5

Results of Contrast Analyses and Relative Weights (Study 2)

	Condition						Critical contrast			Confidence interval (CI) for relative weights	
	Control (*n* = 25)		Basics (*n* = 25)		Training (*n* = 25)						
	M	*SD*	*M*	*SD*	*M*	*SD*	*t*(72)	$r_{contrast}$	Relative weight	Lower 95% CI	Upper 95% CI
Layoff agent self-reports											
Negative affect	2.43	0.58	2.38	0.45	2.06	0.65	1.52	.18			
Distress	3.79	0.83	3.71	0.77	3.84	1.01	0.08	.01			
Confidence	3.31	0.86	3.13	0.69	3.39	0.65	0.97	.11			
Layoff observer ratings											
Formal delivery of bad news											
Elements	3.56	1.00	5.20	0.76	5.56	0.77	8.72**	.72			
Flexibility	3.08	0.54	3.62	0.44	4.02	0.47	6.22**	.59			
Procedural fairness											
Consistency	3.30	0.61	3.65	0.43	4.58	0.34	9.51**	.75	.148	.064	.234
Bias suppression	3.03	0.45	3.17	0.39	4.33	0.33	12.79**	.83	.329	.209	.446
Accuracy	2.65	0.59	2.64	0.48	3.70	0.66	7.38**	.66	.065	.011	.142
Representativeness	2.92	0.76	2.68	0.91	4.24	0.67	7.51**	.66	.100	.048	.178
Ethicality	3.39	0.62	2.91	0.75	4.31	0.57	7.21**	.65	.079	.029	.146
Layoff victim ratings											
Procedural fairness											
Consistency	3.73	0.40	3.80	0.34	4.30	0.47	5.35**	.53	.137	.034	.245
Bias suppression	3.39	0.52	3.44	0.56	4.13	0.47	5.64**	.55	.143	.029	.289
Accuracy	3.02	0.64	2.78	0.67	3.67	0.77	4.54**	.47	.035	< .001	.124
Representativeness	3.27	0.84	2.85	1.00	4.03	0.81	4.46**	.47	.057	.002	.162
Ethicality	3.73	0.66	3.34	0.85	4.24	0.71	3.87**	.41	.011	< .001	.063
Negativity											
Anger	3.32	0.95	3.35	0.97	2.52	0.84	3.61**	.39	.024	< .001	.131
Complain	3.26	0.78	3.37	0.83	2.57	0.64	4.04**	.43	.107	.019	.248
Legal action	3.19	1.16	3.32	1.02	2.32	0.88	3.73**	.40	.060	.001	.195

Note. $r_{contrast}$ = effect size for contrast analyses. Critical contrasts are relevant for hypothesis testing: Contrast A (-2 1 1) for the formal delivery variables, Contrast B (2 -1 -1) for negative affect and distress, Contrast C (-1 -1 2) for confidence, Contrast D (-1 -1 2) for the procedural fairness variables, and Contrast E (1 1 -2) for the negativity variables. Relative weight analyses were only computed for the procedural fairness and negativity variables comparing the training group with the other two groups. Raw weights and 95% confidence intervals around the raw weights are displayed.

* *p* < .05. ** *p* < .01.

Table 6

Results of Mediation Analyses with Procedural Fairness as a Mediator and the Negativity Scales as Dependent Variables (Study 2)

	Anger					Complain					Legal action				
Predictors	*B*	*SE*	*t*(72)	*F*	Total R^2	*B*	*SE*	*t*(72)	*F*	Total R^2	*B*	*SE*	*t*(72)	*F*	Total R^2
Model 1				13.23**	.15				16.45**	.18				14.10**	.16
Condition	−0.82	0.22	−3.64**			−0.75	0.18	−4.06**			−0.94	0.25	−3.75**		
Model 2				136.83**	.79				146.23**	.80				81.27**	.69
Procedural fairness	−1.41	0.09	−14.85**			−1.16	0.08	−15.01**			−1.44	0.13	−11.16**		
Condition	0.23	0.13	1.72			0.11	0.11	1.04			0.13	0.18	0.71		
	Test of the indirect effect					Test of the indirect effect					Test of the indirect effect				
Sobel test															
Effect (*SE*)	−1.04 (0.21)					−0.86 (0.17)					−1.07 (0.22)				
Z	−5.03**					−5.03**					−4.81**				
Bootstrap															
Effect (*SE*)	−1.04 (0.20)					−0.86 (0.18)					−1.07 (0.22)				
95% CI	[−1.44, −0.65]					[−1.22, −0.51]					[−1.54, −0.64]				

Note. $N = 75$. Condition: 0 = no-training groups (control, basics), 1 = training group. Procedural fairness = overall fairness score averaged over all procedural fairness items (as indicated by the layoff victims). Model 1 = Total effect, $df = 1,73$. Model 2 = Direct effect, controlling for mediator, $df = 2,72$. Indirect effect: If bootstrapped 95% confidence intervals (CI) do not include zero, indirect effects are significant.
* $p < .05$. ** $p < .01$.

Supplemental Materials

Supplement A

Testing Scenario for Studies 1 and 2

General instructions

In the following, you will have to perform a dismissal meeting from the perspective of a leader. Please read the following scenario and think about how to proceed during the meeting and which information might be important. You have about ten minutes of preparation time.

Please closely emphasize with your role as a leader and try to act as in a real situation.

Please note: An unprofessional dismissal meeting might have negative consequences for the organization, the laid-off employees and also for you as a leader. Please take care that you perform the dismissal meeting professionally.

Situation

You are the leading manager of the customer support division of a mobile telephone provider. Your team members are well-versed in doing their job, and you enjoy being the leader of this division.

Due to increasing demands for smart phones and changing market conditions, your company has fallen behind. In 2011, your company reported declines in sales and stock prices. Thus, top management has recently decided to initiate a strategic restructuring including a headcount reduction of 20%. You have been nominated to assume the "responsible and important task" of implementing the downsizing in your division in a timely manner. Dismissal meetings have to be conducted with five of your employees within in one month, and it is the first time you have to dismiss several employees at once.

Layoffs are based on the poor order situation and the required strategic restructuring, which will result in an automation of leads and outsourcing to external call centers. Accordingly, the customer support division is especially affected by layoffs. Both the works council and the Human Resource department have developed social selection criteria to minimize negative consequences of the planned layoffs. The selection criteria are job tenure (< 10 years), age (< 45 years) and maintenance obligations towards spouse or children.

Instruction for the role-played dismissal meeting

Your first dismissal meeting is about to happen. Mrs. (or Mr.) Brauer is waiting outside your room. She (He) is a loyal employee whom you hired in your early days as a manager at the customer support division. Mrs. (or Mr.) Brauer is responsible for troubleshooting services. She (He) is valued for her (his) kindness and competence by your team as well as your customers. Mrs. (or Mr.) Brauer is 29 years old and has a young family with eight-year-old twins. Her (His) spouse is also employed. In the past year, they have taken out a loan to build a house. You have always had a good relationship to Mrs. (or Mr.) Brauer. Unfortunately, her (his) work will be transferred to local franchising companies. Alternative job opportunities in your company have been checked, but are currently not available. Mrs. (or Mr.) Brauer has a

shorter job tenure than her (his) colleagues, so the selection criteria pointed towards her (him) quite easily. Now, it is your turn to ask Mrs. (or Mr.) Brauer to come in so that you can deliver the dismissal notice.

In compensation, you may offer Mrs. (or Mr.) Brauer half a month's salary for each year of employment. Termination of appointment is fixed eight weeks as from now. Additionally, you may offer Mrs. (or Mr.) Brauer in-house applicant coaching to find a new job. Please find further information about legal issues or family counseling services in the portfolio enclosed. Please use these materials during the dismissal meeting.

Supplement B

Measures Developed for Studies 1 and 2
(* indicates items which were added or changed for Study 2)

1. "Formal delivery of bad news" scales used in Studies 1 and 2

    (a) "Elements" of the bad news conversation

        1. Delivered the layoff message within the first five sentences.
        2. Explained the reasons for the layoff.
        3. Was responsive to the employee's reactions.
        4. Informed about the next steps.
        5. Provided a follow-up appointment and brought the meeting to an end.
        6. Complied with the correct order of the elements.

    (b) "Flexibility" during the bad news conversation

        1. Prepared a common basis for the conversation.
        2. Introduced the particular steps proactively.
        3. Delineated the particular steps clearly.
        4. Dwelled on particular steps excessively. [reverse-coded]
        5. *Addressed particular steps insufficiently. [reverse-coded]
        6. Responded to the employee's behavior flexibly.
        7. Was distracted by the employee's objection. [reverse-coded]

2. "Procedural fairness" scales used in Studies 1 and 2

    (a) Consistency

        1. Communicated consistently.
        2. Communicated ambiguously. [reverse coded]
        3. Remained binding.
        4. *Remained consequent and without contradictions.

    (b) Bias suppression

        1. Appeared to be impartial towards the employee.
        2. Based the conversation on occupational grounds only.
        3. Argued from the personal point of view only.
        4. Remained objectively and calm.

    (c) Accuracy

        1. Appeared to be impartial towards the employee.
        2. Was candid in communicating with the employee.
        3. Ensured that the employee realized the layoff.
        4. Exposed the layoff decision in a clear and intelligible manner.
        5. Tailored the explanations to the employee's specific needs.
        6. Used accurate information without hiding something.
        7. Explained the layoff thoroughly and reasonably.
          *Explained the layoff thoroughly.
          *Explained the layoff reasonably.

(d) Representativeness

1. Facilitated the employee to express his/her views and feelings.
2. Reacted adequately to the employee's questions, concerns and resistance.
3. Allowed the employee to finish speaking.
4. Listened carefully.

(e) Ethicality

1. Paid tribute to the employee's work done.
2. Made improper remarks and comments. [reverse coded]
3. Behaved in a polite and respectful manner.
   *Treated the employee in a polite manner.
   *Treated the employee with respect.
4. Performed the dismissal meeting properly.
   *Treated the employee with dignity.
   *Upheld ethical and moral standards during the dismissal meeting.

3. "Confidence" scale used in Studies 1 and 2

1. I had difficulties in carrying out the dismissal meeting properly. [reverse-coded]
2. I felt capable of conducting the dismissal meeting.
3. I was able to address all issues well.
4. I felt unable to cope with the task. [reverse-coded]
5. I would do the dismissal meeting in the same way again.
6. All in all, I am satisfied with my performance during the dismissal meeting.

4. "Distress" scale used in Study 2

1. I didn't like giving layoff news to the employee
2. It was not easy to give the dismissal notice
3. I felt guilty after having given the dismissal notice
4. It was hard for me to tell the employee that she was dismissed
5. I felt uncomfortable when dismissing the employee
6. I was afraid about how the employee would react to the dismissal notice.

Supplement C

Quality Checks for Study 2

Objectives of the Quality Checks

Given the limitation of our research to a laboratory setting, there might be concerns about the realism of the conversations and the applicability of our concept of organizational bad news training to practice. As a solution, we surveyed subject matter experts with personal experiences in conducting layoffs and received evidence for the applicability and realism of both training and the dismissal meetings.

Sample and Method of the Quality Checks

We asked seven subject matter experts (three management consultants, two members of HR, and two managers) to review a sample of dismissal meeting conversations with regard to realism. All 75 dismissal meetings tested in Study 2 had been audio recorded. Furthermore, three management consultants evaluated our concept of organizational bad news training with regard to applicability and usefulness. The mean age of the experts was 47 years ($SD = 7$ years) with an average job tenure of 21 years ($SD = 9$ years); four of them were female. Experts were not informed about the training modalities or the purpose of our studies, and all of them had much experience in conducting layoffs.

Regarding *realism* of the dismissal meetings, experts were presented with three recordings, one from each the control group, the basics group, and the training group. We chose examples that were closest to the average performance scores of their reference groups and asked experts to indicate the perceived realism on seven items (e.g., "The way the dismissal meeting was conducted was realistic", "I believe that a 'real' manager would say something similar in a dismissal meeting"), using five-point scales ranging from 1 = "strongly disagree" to 5 = "strongly agree." We also asked them to verbally describe their subjective impression after having listened to the recordings, to indicate the best and the

commonest of the three examples, and to estimate how often (1 = "never" to 5 = "very often") managers are prepared for dismissal meetings presenting five different formats (i.e., "No preparation", "Examining the employee's personnel records", "Consultation with supervisor or HR", "Training on legal aspects", and "Training on more psychological aspects").

Regarding *applicability* to practice, three experts gained access to the web-based training materials and were asked to evaluate training on five items (e.g., "This training concept may be applicable to practice in a similar fashion", "In general, I think training is suitable for use in practice"), using five-point scales ranging from 1 = "strongly disagree" to 5 = "strongly agree." They were also asked to indicate how important (1 = "not important at all" to 5 = "very important") they consider the five training modules and how often (1 = "never" to 5 = "very often") similar contents are part of practical dismissal training.

Results of the Quality Checks

Regarding subject matter experts' ratings of the realism of the dismissal meetings, all examples were rated as fairly realistic ($M = 3.73$, $SD = 0.37$ for the control group; $M = 3.82$, $SD = 0.41$ for the basics group; $M = 4.08$, $SD = 0.22$ for the training group). Although six of the seven experts indicated that the training group performed best, four of the seven experts designated the example of the basics group and two the example of the control group to be commonest in practice.

An expert described her impression about the control group as follows: "Both the supervisor and the employee are unable to cope with the situation, and this fits practice very well." An expert's impression about the basics group was: "Very forceful, very technical, little emotional responsiveness. Unfortunately, this makes it very practical." An expert's impression of the training group was: "The manager allows for a dialog, but remains consistent and strong. […] seems to be the least distressed of the three examples."

Furthermore, experts indicated that managers most often prepare dismissal meetings in terms of "Consultation with supervisor or HR" ($M = 4.00$, $SD = 0.82$). The other ratings were "Examining the employee's personnel records" ($M = 3.86$, $SD = 0.38$), "Using a checklist" ($M = 3.57$, $SD = 0.98$), "Training on legal aspects" ($M = 3.00$, $SD = 0.58$), "Training on more psychological aspects" ($M = 2.43$, $SD = 0.53$), and "No preparation" ($M = 2.14$, $SD = 0.69$).

Regarding experts' ratings of the applicability to practice, training was evaluated as fairly useful and applicable ($M = 3.80$, $SD = 0.60$). All modules were rated as important to very important (all M's > 4). In particular, both the step-by-step guidelines of giving bad news and supervisors' fairness were perceived as very important ($M = 5.00$) by all experts; however, whereas some kind of structure for the formal delivery of bad news is often provided to managers in practical dismissal training ($M = 4.67$, $SD = 0.58$), fairness issues are only sometimes addressed ($M = 2.67$, $SD = 0.58$).

Discussion of the Quality Checks

In summary, subject matter experts perceived training as fairly useful for practical purposes and the dismissal meetings as fairly realistic, thus lowering concerns about artificiality and generalizability. They also indicated that training in delivering layoff news is rare in practice and that managers are most often prepared in terms of consultations with their supervisors or members of the human resource department. Furthermore, if training is provided to managers, it usually includes information about the formal delivery of layoff news, whereas fairness issues are only rarely addressed. Given the finding that experts also indicated the "unfair" conversations (i.e., the control group and the basics group) to be commonest, there seem to be demands for fairness training in practice.