

PROBLEM SOLVING

When to apologize, and when to admit it's too late

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News Corp. chief Rupert Murdoch said he was sorry his London tabloid's employees hacked into the voice mail of a 13-year-old murder victim. But he also told a British parliamentary hearing that he couldn't be expected to know everything his "53,000 people around the world" are doing.

"The first thing to say is I'm sorry," said Tony Hayward, chief executive of BP during its massive oil spill last year in the Gulf of Mexico. The second thing he said was: "There's no one who wants this over more than I do. I would like my life back."

Such gaffes aside, do apologies really work? They sure do, according to recent evidence.

A social or economic relationship improves after an apology, said Verena Utikal, a professor of economics at Germany's University of Erlanger-Nurnberg. Her research, conducted with University of Konstanz neuro-economist Urs Fischbacher, investigates how people behave when their partners violate their trust. If these partners say they're sorry, what happens next?

"There is no money exchanged, just words, and somehow the relationship is better. We wanted to know when and why people apologize, and whether it can restore a relationship," Professor Utikal said.

Ideally, people would only apologize when they sincerely regret their actions. In a moral world, that's what should happen. But the researchers wanted to know what goes on in the real world. What do the data tell us about how people really behave, especially when their reputations (and their company's stock value) is on the line?

The researchers' hypothesis was that apologies only help when there's some uncertainty about the intentions behind the misdeed: "If I throw a glass of red wine in your face and then apologize, you won't accept it," Prof. Utikal explained, because harm was clearly intended. But if I knock over a glass of red wine on your heirloom carpet, it might be an accident, in which case an apology can mitigate the damage. "We wanted to create an environment where the offence could be intentional – but maybe not," she said.

To test their idea, the researchers gathered 356 university students to play a game involving two people who had not met before. The first player must answer a multiple-choice question that most people find easy to answer. Both players know the rules: If the first player answers correctly, he gets \$4 while the partner gets \$12. If the answer is incorrect, neither player gets anything.

Answering correctly shows a basic level of trust: The gamble is that the other player – a stranger, after all – will then repay the favour when the tables are turned. "What is best for all is if everybody answers the questions correctly, because then everyone wins \$8, and they know that," Prof. Utikal said. It's a literal example of the "win-win" situation.

But if the first player answers correctly, and the second player flubs it, he then pockets \$12 and the first player is in the red. "That's kind of an offence, because Player A was nice, but Player B was not nice," Prof. Utikal said. "[Player A] might expect an apology." That would be reasonable, even if it's unclear whether Player B really didn't know the answer or was just bluffing to line his pockets.

Now here comes the interesting part: Given the opportunity, will Player B apologize? Either way, he risks being punished by forfeiting some of his (perhaps ill-gotten) gains. The researchers found that about 40 per cent of players who profited from their mistakes did apologize, and they were 20 per cent less likely to be punished than players who refused to eat humble pie. Clearly, if there's any uncertainty about what your intentions were when someone suffers harm, it's worth it to say you're sorry.

But what if there are no monetary consequences? Sadly, if nothing concrete is at stake, only 10 per cent said they were sorry. Ninety per cent of people won't apologize, even if they know they did wrong. "People just apologize to avoid punishment, and that's awful," Prof. Utikal said.

Still, as long as there's a bit of uncertainty about a person's role in a crisis, it pays to apologize. But if uncertainty disappears and people know exactly what was intended, if not planned, then apologizers are punished a whopping 71 per cent of the time. "That's when apologies make things worse," Prof. Utikal said.

For business leaders who find themselves on the hot seat, much hinges on what they knew at the time of the misdeed. If there's any doubt about that, an apology makes sense, or at least it won't cause further damage. But if mistakes were made and they

knew all about it, then it's too late for them to say they're sorry.

Susan Pinker is a psychologist and author of [The Sexual Paradox: Extreme Men, Gifted Women and the Real Gender Gap](#).

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