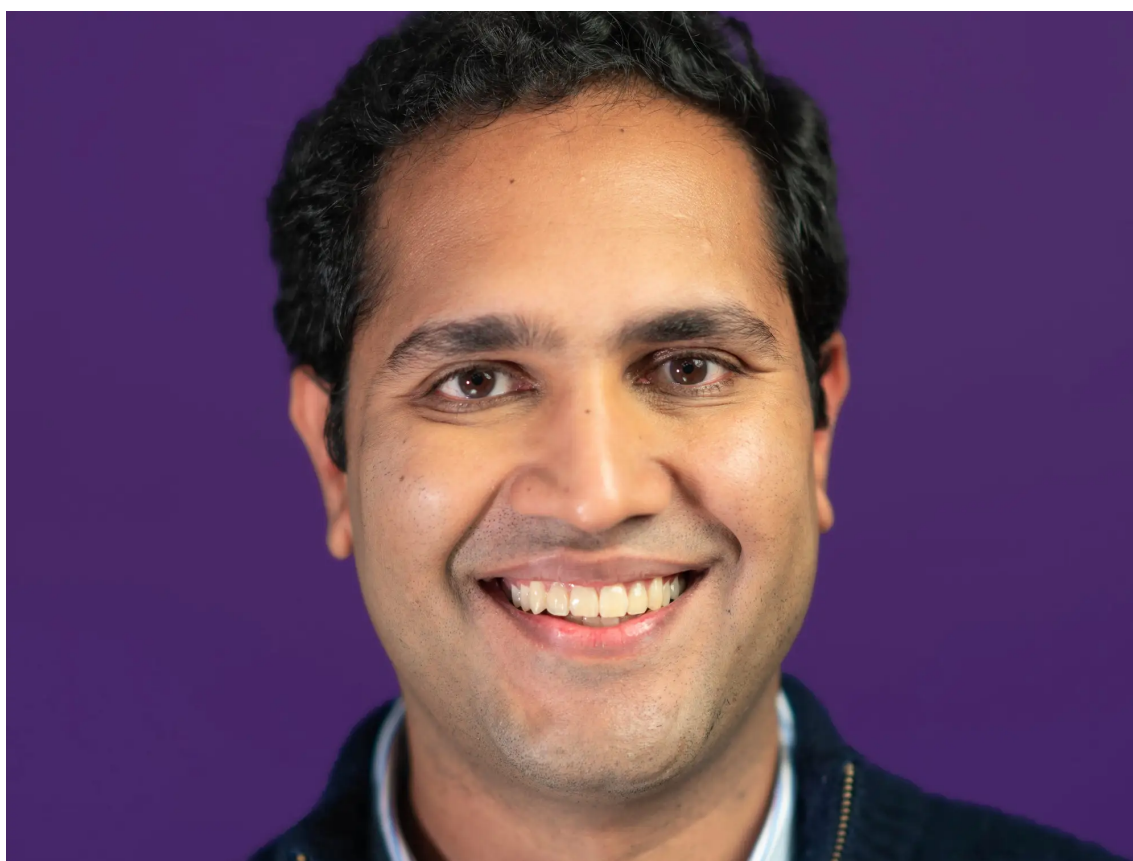


Better CEO's apology letter after mass layoffs is 'insincere' and 'stilted,' communications experts say

MARGUERITE WARD DECEMBER 08, 2021



Vishal Garg is the founder and CEO of Better.com.

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- Better CEO Vishal Garg apologized after laying off 900 people in a short

meeting last week.

- CEO-communications experts said the apology memo read like a poor attempt at damage control.
- Garg didn't show empathy for laid-off employees and for remaining staffers, the experts said.

The CEO of the [online-mortgage](#) startup Better is trying to make amends after laying off hundreds of employees right before the holidays. But leadership experts aren't buying it.

In a [Zoom](#) call last week that lasted less than three minutes, Vishal Garg [laid off](#) 9% of his staff, or about 900 employees. Garg then [accused some employees](#) of "stealing" by working only two hours daily. On Tuesday, the CEO sent a memo to the staff apologizing for how he handled the layoffs. [Insider obtained the memo](#), and it's now posted on [Better's website](#).

"I own the decision to do the layoffs, but in communicating it I blundered the execution. In doing so, I embarrassed you," Garg wrote.

He added: "I believe in you, I believe in Better, and I believe that working together we can make homeownership better together."

Communications experts who consult with CEOs said the apology memo felt rushed and hollow. They said the problem wasn't that the Zoom call was poorly executed, as Garg suggested, but that a CEO failed his company.

Better did not immediately respond to Insider's request for comment

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"To have gotten to this point, to have handled it so poorly and to then follow up by [lashing out](#) at former and current employees, I'd say it's not a good look, but, frankly, it's appalling," [Eric Yaverbaum](#), a Fortune 500 communications consultant, told Insider.

'An attempt at damage control'

Experts said Garg's memo came off as his attempt to save face after a very public blunder.

The memo's length and tone felt "rushed" and like "an attempt at damage control," Yaverbaum said. A sincere apology that laid out his failings and added a concrete path to doing better in the future would have helped the company, but it still would not have been enough, he added.

After all, a company's haphazard [approach to layoffs](#) can mar its reputation. Elaine Varelas, a managing partner at the career-management firm Keystone Partners, [previously told Insider](#) that it's important to show respect for the employees you're letting go and to remember that employees who are treated poorly on their way out might be inclined to speak negatively about the brand.

LaToya Evans, the chief communications officer at [the LEPR Agency](#), said the memo "seemed to be a last-ditch attempt to save the morale of those

existing employees, who now question the values and leadership of the organization." In other words, Garg was trying to avoid a mass exodus. Shortly after the layoffs, three top Better executives stepped down, [Insider's Alex Nicoll and Carter Johnson reported](#).

A lack of empathy

Empathy is a critical part of leadership — especially during a pandemic. In an [Ernst & Young survey](#) of 1,010 US workers conducted in July, about 90% of respondents said that having an empathetic manager increased their job satisfaction, productivity, and loyalty, [Insider's Rebecca Knight reported](#).

Garg appeared to show very little empathy in the way he laid off staff and even in his apology, the experts said. "The memo to the remaining employees was also extremely tone-deaf," Evans said.

Garg wrote that he was "committed to learning from this situation," adding, "We are also taking fast steps to make sure we are very transparent and aligned as a company on the goals for 2022." But Evans identified a glaring omission: The memo, she said, "focused more on the future of Better and less on the future of the laid-off colleagues and the remaining employees, who were certainly left with more questions than answers."

Garg also should have addressed the well-being of laid-off employees, Evans said. He would have been wise to deliver a message "that really took

ownership of the decision and focused on his commitment to helping these employees take this next step in their careers," she added.

A lack of understanding about what he did wrong

"I realize that the way I communicated this news made a difficult situation worse," Garg wrote, adding that the way he executed the layoffs had embarrassed his staff.

Yaverbaum said this message missed the mark. "It reads as insincere, stilted, and like he still doesn't understand why his actions were wrong," he said. "His employees aren't upset because he has 'embarrassed' them or the company. They're rightfully upset because he utterly failed them as a leader."

Ultimately, Garg will have a hard time recovering from the decision to brusquely lay off 900 staff members over Zoom, the experts said. "A sincere, heartfelt apology that shows a genuine understanding of his failings and a concrete path to do better going forward would have been better," Yaverbaum said. "But still, in my view, it would not have been enough after everything that had already happened here."

Read the full memo:

Team —

I want to apologize for the way I handled the layoffs last week.

I failed to show the appropriate amount of respect and appreciation for the individuals who were affected and for their contributions to Better.

I own the decision to do the layoffs, but in communicating it I blundered the execution. In doing so, I embarrassed you.

I realize that the way I communicated this news made a difficult situation worse. I am deeply sorry and am committed to learning from this situation and doing more to be the leader that you expect me to be.

At Better, your dedication, focus and expertise are essential in the vital work we are doing to unlock the value, joy and opportunity of homeownership for our customers across the country. I couldn't be more grateful for all you are accomplishing for the customers we serve.

We will talk more at our upcoming All Hands meeting about what to expect for the year ahead. I hope you'll join me for the discussion. We are also taking fast steps to make sure we are very transparent and aligned as a company on the goals for 2022, the metrics that matter most, and how we can all work together even better to serve our customers and achieve our mission.

I believe in you, I believe in Better, and I believe that working together we can

make homeownership better together.

Thank you,

Vishal

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