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How You Can Manage Swans, Rhinos, and Elephants at Your Office.

In November 2022, Walmart Shift Manager André' Bing killed six coworkers and left four others injured before fatally shooting himself. The 31-year-old Bing had been working at Walmart for 12 years. In this post, we will discuss the implications of the Walmart incident for corporate leaders facing Black Swans, Elephants, and Gray Rhinos.

One way to look at such a tragedy is to describe it as a black swan. *Black swan* refers to a highly improbable, unforeseeable, event with enormous impact. Walmart employed 2,300,000 people in 2022. It has been employing people since 1969. Given the numbers, the probability of any employee being murdered by a supervisor is a black swan. You cannot prevent black swans. You can only create a corporate culture of flexibility so that your organization can respond to statistically improbable yet catastrophic events.

Policy analyst Michele Wucker describes *gray rhinos* as obvious, probable threats that are visible and willfully ignored (2016). Gray rhinos are also different from *elephants*: current threats yet ignored.

The Walmart Tragedy as a Gray Rhino

In early 2020, Walmart received complaints from Walmart employees that supervisor Bing was "unkind" and engaged in "threatening behavior" toward them. An investigation was conducted. Nothing happened. Two employees have sued Walmart for failure to protect them after the initial complaints were filed (Nassauer, 2022).

The letters should have triggered an alarm at Walmart: A gray rhino is approaching. Walmart's stated corporate culture declares, "Culture is the foundation of everything we do at Walmart. We define culture as our values in action." It goes on to state that Walmart's culture is guided by "respect for the individual."

We could not find a published job description for a Shift Supervisor, but we did find a job description for Area Manager. The job description primarily focuses on tactical duties. It does state that the incumbent should be "teaching, supporting, and modeling company policies and procedures." One *might* presume that "respect for the individual" is

implied. It is not explicit. Lacking a clear statement in the job description, what could Walmart officials do when Bing's subordinates formally complained about his "unkind" behavior?

Lessons You Can Learn.

1. If your company culture is important enough to be discussed in your annual report or on the walls of your corporate headquarters reception room, it should also be inserted into every job description. Failure to be specific about corporate values in the job description ties the hands of management to decisively respond to perceived corporate culture violations.
2. If a team member complains that an employee is violating corporate cultural norms, treat that accusation as a gray rhino.
3. Once a year, the Board of Directors should schedule 60 minutes to discuss gray rhinos.

J&J Encounters a Gray Rhino

In 1982, seven consumers died after consuming Tylenol capsules laced with potassium cyanide. The tainted capsules were found to have been manufactured at two different locations. Tylenol was produced by the public company Johnson & Johnson (J&J). Since the tainted capsules had been tampered with after factory production, the CEO concluded there was justification for continuing to distribute Tylenol.

The head of the J&J division that produced Tylenol, however, argued that such a decision would be perceived by employees and customers as a violation of J&J company culture, known as the Credo. The Credo explicitly states that customer safety is more important than shareholder value. The CEO reluctantly agreed to a national Tylenol recall. The short-term loss was \$281 million. The medium- to long-term benefit was burnishing J&J's reputation as a trusted brand.

In the context of this post, the poisoning was a black swan. The gray rhino was J&J's CEO respecting the consequences of being perceived as violating its corporate culture.

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