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# Rumours and gossip demand continuous action by managers in daily working life

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## ABSTRACT

The aim of this qualitative study was to investigate why and how informal information such as rumours gains relevance for managers in relation to their workplace situations. The results demonstrated rumours not only played a role as a supplement to formal information in this study; the relationship between rumours and formal information was shown to be a relatively dynamic, complex interaction in which the various sources of information were feeding each other. Without using this informal information, it was difficult for the managers in this study to gain insight into how they should act, and to act timely. Confidence in their leadership can be harmed if managers do not listen to informal information, and that negative effects on leadership can occur when rumours switch to gossip. We concluded, from a process view on rumours, that the ability of managers to include informal information in their daily work can create trust.

## ARTICLE HISTORY

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## KEYWORDS

Gossip; informal information; rumours; work environment

## Introduction

The study reported here addressed ways in which managers inform themselves by using such informal information as rumours and gossip. A general definition of *informal information* includes information gleaned from talks and meetings within the organisation – even gossip – from media, social media, observations from inside the organisation, and information from other organisations (Kroll 2013). *Formal information* includes reports, such as financial statements, performance reports, audits, evaluations, and statistics (Pollitt 2006). It is usually produced systematically and routinely (Kroll 2013).

The relationship between formal and informal information has been discussed in many studies. It is assumed that managers use informal information to interpret formal information, and that both sources can prepare managers to make decisions (Jönsson 1998; Hall 2010). However, formal information – from accounting systems, for example – can suppress relevant signals for change and kill the initiative to act on early warnings (Hedberg and Jönsson 1978). Diefenbach and Sillince (2011) have demonstrated the duality of informal and formal organisation. (A dynamic relationship exists between these two types of information, in which the structure and ordering of organisational behaviour is continuously informed by formal and informal principles of hierarchical ordering.) Following Diefenbach and Sillince, the hierarchical ordering in professional organisations could be based on such formal information as professional achievements or journals and on informal

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information from collaborations with colleagues within and outside the organisation in which they work. Courpasson and Clegg (2006, 327) provide support for this assumption, noting that the introduction of formal information and procedures, such as total quality management or TQM, simultaneously increases the need for informal information generated through informal relationships. Moreover, Courpasson and Clegg argue that there is a duality and political dynamic between 'fact-based management' based on formal information and 'trust-and-dialogue'-oriented management based on informal information. As Michelson and Mouly (2000, 344) highlighted, rumours and gossip are of critical importance in management, concerning its role in reinforcing social bonds and formal work structures. Rumours and gossip are likely to be an integral dimension of the informal communication. They have also asserted that rumours and have received little research attention in organisational contexts, and contend that 'the assertions about rumour/gossip are not empirically grounded' (344). Michelson, van Iterson, and Waddington (2010) concluded that previous researchers have treated gossip as a peripheral or coincidental informal communication and that there is need for further research on gossip as a central behaviour, in order to provide a better understanding of contexts, consequences, and controversies in organisations. Mills (2010) has also suggested the need for further studies on the embeddedness of gossip in other forms of communication, simultaneously exploring gossip as a unique type of informal communication. Thus rumours and gossip – examples of social information – should be included in any investigation of the way managers make sense of a complex mix of formal and informal information. Our approach is that this same understanding applies to the significance of rumours and gossip, as Christensen, Kärreman, and Rasche (2019, 11) suggest in their discussion of what they call 'bullshit' in organisations: 'the meaning and impact, recognition of how and what it [bullshit] performs will provide an insight into the tensions and dilemmas that shape much of communication in the organisational context'.

Based on previous research, we argue that there is a need for further investigation of informal information in organisational communication – specifically rumours and gossip – in the context of daily work. This argument is based on the assumption that rumours are a type of informal information that staff members use in order to cope with uncertainty. (The terms 'staff' and 'staff members' are used throughout to refer to non-managerial employees.) Gossip is a type of informal information with which staff members handle their desire to cope with power relations: status and ego needs.

These definitions of 'gossip' and 'rumours' are in line with Gabriel (1991), who contends that gossip serves as a survival mechanism in a bureaucratic organisational structure. Furthermore, Mishra (1990, 223) highlights one of the outcomes of gossip: alleviating excessive levels of staff member's stress. Michelson and Mouly (2000) conclude that rumours can potentially arouse anxiety within organisations, because they serve as a forewarning of negative outcomes. Taken together, in order to understand the specific role of rumours and gossip in the management of work environments, we need to consider their meaning more systematically, which we did in this inductive analytical study. The aim of the study was to investigate why and how informal information (rumours) gains relevance for managers in relation to workplace situations. The study was designed to determine the managers' actions – actions that could have positive or negative consequences for the organisation and for the work environment of the (in this case) healthcare staff.

The special area of interest in our study is the amount of attention given to rumours about managers' actions in the daily work in a public sector workplace – a forensic psychiatric unit at a regional hospital in Sweden. The task of balancing psychiatric care and societal protection for patients sentenced to psychiatric care is complex and stressful, involving several professions and other healthcare occupations – a situation that provides a fertile ground for rumours.

## Gossip and rumours

Gossip and rumours are similar concepts. Both involve people saying or writing things. Gossip concerns constructs of particular persons – the objects – and rumours include constructs of events and

particular persons (Gambetta 1994). Thus rumour is more public than gossip: value-laden information about and interest in members of a small group (Rosnow and Fine 1976) or an individual. In this study, we include rumours and gossip but use rumours as the overarching concept. To understand the essence of rumours, we begin with Kurland and Pelled's (2000) definition of gossip as '... informal and evaluative talk in an organisation, usually among no more than a few individuals, about another member of that organisation that is not present' (429). As Wittek and Wielers (1998) contend, however, gossip flourishes in networks as well. We embrace this neutral definition, but gossip is usually seen in common parlance as a type of small talk with negative connotations (an evil tongue) or a universal social activity or pleasurable social entertainment (Gambetta 1994). Rumours and gossip have the character of fragmented information, wherein either filtering or elaboration distort the original message as it passes from one non-accountable person to another (Akande and Odewale 1994). In agreement with Gambetta (1994), Rooks, Tazelaar, and Snijders (2010, 1), we see gossip as 'the vehicle of reputations'.

This study specifically concerns work-related gossip, which 'is focused on a subject's work life, such as job performance, career progress, relationships with other organisational members, and general behaviour in the workplace' (Kurland and Pelled 2000, 430).

Rumours and gossip have a plethora of functions and consequences. According to Dunbar (2004), gossiping has served a valuable function in human evolution, because it conveys warning signals about precarious situations and insecurities related to individuals in networks too large to evaluate from one's own experience. Gossiping may give individuals an advantage within their social setting, such as reinforced social bonds among the participants (Noon and Delbridge 1993) and make it possible for individuals to compare their social position with others and to gain power over objects of gossip (Michelson and Mouly 2000).

Gossip may also have organisational advantages. It can serve as a safeguard against opportunistic behaviour among partners in a network. Rooks, Tazelaar, and Snijders (2010) argue that gossip 'can be considered a useful governance mechanism that can work side-by-side with more formal governing mechanisms' (3). This informal component of the mechanism seems to be especially important when it is difficult to evaluate a person's products and services. Actors in such situations are susceptible to gossip that may harm their reputations; their reputations are guarantees for the quality of their products and services, and the smallest deviation from the expected may be salient (Gambetta 1994). Rumours may also be used to detect a crisis. According to Turner (1978), crises are caused by chains of discrepant information that are often available many years before the onset of a crisis, but ignored or misinterpreted at the time. The view that a crisis is a 'process of gradual accumulation of weaknesses and vulnerabilities' (Roux-Dufort 2009, 5) also indicates the possible importance of rumours in avoiding a crisis. Rumours and gossip may provide key information to management about perceptions of new policies and decisions regarding recruitment and promotions. Because managers receive this type of information more quickly and from more directions than formal information would, it helps them to organise (Akande and Odewale 1994; Michelson and Mouly 2000).

Although gossip and rumours are unavoidable, and may serve a positive function for the organisation and its incumbents, the negative aspects dominate in many previous studies. Such research suggests that gossip and rumours (a) create mistrust among staff, causing stress, engendering interpersonal conflicts and indirect aggression, creating alliances aimed at controlling other actors, and leading to workplace bullying and harassment (McCarthy et al. 2001) and (b) create mistrust between managers and staff (Safferty 2004), leading to loss of productivity, damaging cooperation, and causing good staff members to leave the organisation (Rosnow and Fine 1976; DiFonzo and Bordia 2000).

More recent studies have demonstrated that the relationships among gossip, reputation and cooperation are not straightforward, given the way gossip undermines reputation and destroys cooperation. In an overview of models of the relationships among gossip, reputation, and cooperation, Giardini and Wittek (2019) demonstrate that those relationships are not merely causal, but also reciprocal. Cooperation may be strengthened because uncooperative behaviour

damages the reputations of parties that are expected to cooperate. The threat of gossip as punishment in the social context may, in fact, sustain cooperation. Causality can work in both directions. The context may explain why gossip can strengthen cooperation and the relationship between the gossipmonger and the receiver, or why the receiver may lose confidence, and no longer see the gossipmonger as a credible informant. These different recent models do have something in common, however: Negative gossip undermines the reputation of the target and has negative emotional consequences for its targets (Martinescu, Janssen, and Nijstad 2019). Gossip may harm the long-term interaction through loss of trust (Wu et al. 2019), which may reduce the long-run intention to cooperate (Dores et al. 2019). Thus, gossip-based loss of trust may reduce short-term gains in cooperation, given the disciplinary effect of threat on the victim of gossip. Accordingly, recent studies – often simulation research – confirm and elaborate upon earlier studies with their analytical explaining models.

We are aware of no previous study on the relevance of rumours and gossip in healthcare organisations, although some earlier studies emphasised the importance of managers using informal information to supplement formal information in communication between managers and healthcare professionals in improving the work environment (Hofmann and Stetzer 1998; Eklöf, Törner, and Pousette 2014).

A fertile ground for gossip and rumours can occur when there is lack of transparency and trust, creating tensions and concern among staff members with low self-esteem (Gholipour, Kozekanan, and Zehtabi 2011), when they perceive competition among themselves (Michelson and Mouly 2000), when they perceive little or no control over events (Festinger et al. 1948), or when the organisation creates conflicting and ambiguous roles between functions (Esposito and Rosnow 1983). The situation may worsen in a culture that discourages informal information, thereby constraining staff to the use of gossip to spread news (Smeltzer and Leonard 1994).

The relevant literature presents a generally agreed-upon normative statement: that rumours should be dealt with swiftly and that the truth should be revealed as quickly as possible to prevent the further spread of false information (Akande and Odewale 1994). But in order for that to happen, someone must interpret and analyse the rumours and then act – all of which involves skill.

## **A process view on rumours**

The ability to act on rumours requires attention to relevant signals and the ability to ferret out the ‘right’ rumours and to decide how much attention should be allocated to them over time (Day and Schoemaker 2004). Weick and Sutcliffe (2007) assert that the success of managing the unexpected depends on the manager’s ability to be mindful – to be aware of discriminatory details and be able to uncover small, early events – clues of upcoming unintended consequences that are easy to act upon at an early stage, but are more difficult to treat by the time they become clearly visible. The rumours may merely be a vague feeling that something is not right, but it is necessary for staff to resist the temptation to regard the event as normal before it is evaluated.

In managing a new, upcoming situation, there seems to be a need to change information flows and to consider rumours as relevant in that changed situation. As suggested in the literature, the difficulty in managing the unexpected lies in knowing how to detect and interpret the ‘right’ rumours. According to Weick and Sutcliffe (2007), the interpretation of data from such sources requires rich information – ideally through face-to-face contacts. In fact, a larger repertoire of action capabilities increases the signals for which an actor can be mindful (Weick, Sutcliffe, and Obstfeld 1999). There is need for scepticism about informal information. The data and their sources must be assessed when managers are acting mindfully, as they decide whether it is necessary to act upon a particular rumour. It can be assumed that the assessment and interpretation of rumours can be analysed through the usual organisational process.

We have assumed a process view of rumours in this study. Jay (2013) has demonstrated that processes emerge through the synthesis of various logics. For example, he shows how different logics often create performance paradoxes that must be managed in order to find creative routes; otherwise, there is a risk that people get stuck. Moreover, Wright and Zammuto (2013) have observed how processes emerge and evolve through multilevel interactions, and different actors across vertical and horizontal levels in change processes relate to changes. Another tradition of process studies is the highlighting of process development and termination in organisations. These studies draw attention to how and why different conditions emerge, develop, grow, or terminate over time (Langley et al. 2013, 1). Relating process studies of change to this study on informal information, such as rumours, there are three types of relevant questions to ask in an inductive, analytical approach:

- (1) How do rumours emerge, and what conditions are creating a fertile ground for rumours?
- (2) How do rumours develop, and how do the actors relate to rumours?
- (3) How do rumours terminate (suppression of existing rumours in an early state and in a fully developed state)?

## Setting

The managers we studied work in a forensic psychiatric unit at a regional hospital in Sweden, the mission of which is to provide individually adapted psychiatric care for patients who are sentenced there by the court rather than imprisoned. Such court orders serve as a protection to society from patients aged 16 or older who have been judged to have committed their crime under the influence of a serious mental disorder, such as schizophrenia. The managerial task requires that working methods, routines, and treatment arrangements for individual patients be designed such that patients are rehabilitated, with the goal that they should be able to live in society without relapsing into criminal activity. The institution's activities in both inpatient and outpatient care are conducted in inpatient premises with increased safety classification. Patients' average length of stay is five years. The transfer of patients from inpatient care to outpatient care is used as an indication that the services were successful, rather than the length of stay, relapse rate, or patients' experience of reintegration into normal life, because the patient's diagnosis is often the most crucial factor for treatment results. The possibility of transfer presupposes, however, that the patient's home municipality is able to provide suitable housing for the discharged patient.

Regular, structured risk assessments and measures for risk management are included in the work, within both full-day and outpatient care. The premises are modern, and the institution is adapted to handle escape attempts. The institution, the only one of its kind in the region, has patients who belong to the highest risk group, according to the national classification system.

Health care includes medical, psychological, social, and educational efforts. In addition to four inpatient rehabilitation units, with a total of 72 beds for patients with psychosis, personality disorders, and addictions, there is an emergency care ward with 12 beds and an investigation unit with an additional 12 beds for patients undergoing investigation for care at the rehabilitation unit. The rehabilitation units work with work rehabilitation and with activating patients for a physically and socially active life. At the rehabilitation units, there is an activity house that offers, among other things, work-like employment, physical activity, physiotherapy, leisure activities, and social interaction.

A care plan must be created for each patient, stating the main aspects of the care efforts and treatment goals. Care planning begins immediately after the decision has been made on compulsory psychiatric care by a civil court. The inpatient care period is not decided at sentencing but is reviewed by the administrative court after four months, and then every six months, on the basis of the chief physician's report. Care ceases immediately if the patient no longer suffers from a serious mental disorder or if the need for detention is no longer necessary. Normally, the patient

is reviewed several times, and a negative decision during each review can result in a lifelong stay if the psychiatric disease requires – even for a patient who has committed a relatively trivial crime.

A director and care-unit managers lead the combined institution, which has a number of occupational categories: attendant, treatment assistant, counsellor, psychologist, occupational therapist, physiotherapist, health and activity teacher, social psychiatrist, nurse, and physician, for example. Physicians and psychologists are part of the investigation unit, and the largest personnel categories are attendants and nurses. In total, there are approximate 275 people employed at the institution, including housekeeping and food services. Each patient has an attending nurse who leads a team revolving around the patient, consisting of representatives from the various occupational groups.

The need for care efforts are considered by the assessments of all team members together; this care planning occurs in consultation with the patient. The institution is led by the director through two management groups (the strategic council and the leadership group), in both of which the chief physician, representatives of the care-unit managers, and the quality developers participate. In the strategic council, two staff representatives and the managers of the finance and human resources also participate. These groups do not participate in the leadership group, but a physician representative is present.

Since a new director took office a year ago, investment in staff development has increased, in the form of more education and organisation to create more stimulating and varied work.

## Method

### *Design, participants, and data collection*

This qualitative case study allowed us to obtain data on interactions in ongoing daily activities (Czarniawska 2014; Silverman 2013) in an emergent and dynamic empirical setting (Yin 2015). It enabled us to uncover why and how informal information (rumours) gained relevance for care-unit managers and senior managers, in relation to workplace situations, especially unfortunate, upcoming situations. The criteria for choosing this case was strategic, within the complex context of the public sector; a typical case (Flyvbjerg 2006) was chosen to increase the chances of having comparable results in other, similar, complex contexts (Flyvbjerg 2006).

In the unit we studied, a self-evaluation report was compiled by the occupational health services, a unit that reported work environment problems concerning value incongruence among the professional groups and between the professional groups and the stated organisational values. The report reflected that the unit's task is complex and stressful, which, according to literature, gives reason to expect a high occurrence of rumours.

We used a qualitative, interpretative approach in conducting our 16 semi-structured interviews with all members of the leadership team: all managers involved in decisions about organisational changes and other decisions that could impact on workplace conditions. The 9 female and 7 male participants represented wide variation in hierarchical positions and professional background, as indicated in Table 1. Many of the participants had extensive experience and had been in the

**Table 1.** List of interviews.

Type of function/profession	Number of interviews
Director	1 (woman)
Care unit manager	5 (four women + one man)
Quality developer	3 (two women + one man)
Section manager	1 (woman)
Security manager	1 (man)
Chief physician	1 (man)
Nurse	2 (one woman + one man)
Attendant	2 (men)
<b>Total</b>	<b>16 interviews</b>

organisation for more than three years. Two of the care-unit managers were new to their management assignment, however. Those who did not have long tenure in their occupation were approximately 25 years old; the others were 40 years or older. We also made observations at four management meetings: one with the strategic management council, two with the operative management group, and one at a unit meeting. These observations were conducted in order to gain an understanding of contextual aspects of the organisation and to observe when and how work environment issues were addressed at different levels in the organisation. We also made observations at four formal meetings.

This study was conducted in a health care setting, in which we, as researchers from a business school, remained 'outsiders' from another culture (Van Maanen 1988). Even if we did not participate in everyday organising events or meetings, however, and were present only during interviews, observations, and in the fieldwork of data gathering, we became engaged in the organisation, and in that sense became 'insiders' (Davies 1999).

The interviews were conducted in accordance with Kvale's (1996) prescriptions for semi-structured interviewing. We began with a broad question: 'How would you describe the task of your unit?' Follow-up questions included: 'What are the organisational places or venues where the workplace situation is discussed?' 'What are people's roles and responsibilities?' and 'How would you describe their authority?'

We then introduced other broad questions: 'What will mainly impact on the co-workers' workplace situation?' 'What kind of measures have you undertaken to improve the workplace situation?' These broad questions were followed another series of follow-up questions like: 'Did something special trigger the measures?' 'How did the various stakeholders respond?' 'What was achieved?' and 'How would you describe vertical communication (related to tasks, contacts, venues) with the leadership team?' And the entire sequence was repeated: broad questions followed by follow-up questions.

The participants provided examples that described real episodes when rumours were discovered. The interviews, which usually lasted between 50 and 70 min, were audiotaped and later transcribed.

### **The method of analysis**

Our analysis was a reiterative process of interpretation, beginning immediately with the initial interviews. After the transcription stage, we noted the most significant viewpoints and ideas and reflected on them in first-impression commentaries, provoking new questions, which we posed in the next interview, and so on. This gradual, reiterative process helped us to understand how the managers evaluated the workplace situations and the measures to improve it. We benefitted from our two-person research team, which allowed us to engage in interpretative discussions.

We read and re-read interview transcripts in search of themes for the initial category-labelled statements in the interview transcripts, using patterns and connections in their descriptive content (Kvale 1996; Corbin and Strauss 2008). Empirical categories were organised according to the process view of rumours into three main categories: (1) How rumours emerge, (2) How rumours develop, and (3) How rumours are terminated. These categories demonstrate how rumours evolve over time and undergo continuous change as an integral part of daily working life.

'How rumours emerge' was divided into two sub-categories: (a) *Generation of rumours* and (b) *Sources of rumours*.

'How rumours develop' was divided into three sub-categories: (a) *Dispersion of rumours*, (b) *The interplay between rumours and formal information to legitimize decisions in top-down processes*, and (c) *The interplay between rumours and formal information to legitimize decisions in bottom-up processes*.

'How rumours are terminated' was divided into two sub-categories: (a) *Suppression of rumours at early stages* and (b) *Suppression of developed rumours*.



This method of interpreting the material allowed us to illustrate behavioural changes by quoting participants. We thus achieved an overview of categories related to the process view of rumours as the theoretical framework of the study, allowing for further analysis of the sub-categories (Charmaz 2006; Denzin and Lincoln 2011).

### **Ethical considerations**

Members of our sample were informed about the purpose of the study, invited to participate, and informed that participation was voluntary and that they could end their participation whenever they wanted. They all agreed and gave their written consent. Personal data (name, email address and telephone number) were collected only to allow us to contact potential participants to request their participation.

Given the sensitive nature of gossip, the specific purpose of this study was not openly declared. Because the material reproduced here was well anonymised, however, no ethical problem occurred. We did not disclose any rumours, gossip, or knowledge of gossip to anyone at the hospital, and all citations from the empirical material were anonymous. The names of participants have not been disclosed, and no unauthorised persons will have access to the raw data. These data, including all personal data, will be stored on a secure storage medium in a locked fire-safe cabinet at the university for ten years after the completion of this study, enabling any necessary data review. According to the Data Protection Regulation (GDPR), participants were informed about their rights to request access to their personal data and to have it corrected or deleted.

### **Credibility of the study**

The credibility of the study depends on the authenticity of our data – that the participants shared their lived experiences rather than what they believed the researcher expected or what might have been beneficial for them to relate (Yin 2003). One strength of this study was that participants described examples from their lived experiences when rumours were discovered, allowing them to recollect lived experience (Van Maanen 1997). If we had become aware of gossip and rumours about us occurring at the study site, we would have had to attend to them, as they could have affected the authenticity of participants' responses and affected what they were willing to say to us. We encountered no questions or speculations suggesting that we were the objects of gossip, however.

We attended several management meetings, to demonstrate our commitment and to gain insight into the problems and the agendas of participants. As Czarniawska (2007) has suggested, the ability to blend into the organisation increases the probability of obtaining authentic answers. And because gossip is a social process, we considered the social context in which the rumours and gossip were presented and allowed for authenticity of the data as far as the participants were able to recollect lived experiences and were aware of interesting episodes containing rumours and gossip.

## **Rumours**

In this section, we demonstrate participants' differing views, structured according to the process view. After each subsection, we analyse and reflect on the sub-theme, in a mini-analysis.

### **How rumours emerge**

#### **Generation of rumours**

There are at least three ways in which managers can generate rumours: through unclear messages, lack of information, or inaccurate information. When a formal communication arrives from top management and is perceived as *unclear* in its explanations for an incident that has occurred, rumours offering other explanations can arise.

I strongly believe in this information transfer ... that people haven't really been satisfied with the [formal] decisions that have been made, and that they don't really understand the background for the decisions. It's also about the fact that the information hasn't been sufficient, so there's plenty of room for interpretation and such. This leads to frustration and speculation within the group. (Section Manager)

Rumours can also arise because of *lack of information* about issues that staff members perceive as being extremely important – staffing levels, for example. A nurse describes speculations about people being laid off:

'Soon they will get rid of nurses, so that in the end there will be only one person sitting here handing out pills'. There's such talk. It's the spiral we're in. There are several who have left now and one who has resigned. And we have one who is going on leave. But we don't hear anything about replacements or that new staff will be hired. (Nurse)

Managers can also generate rumours by providing *inaccurate information*.

We were informed by the chief physician about why a person wasn't allowed to stay on. But according to that person, the truth is something else. ... The explanation that we got ... was more that she couldn't handle the stress. But that wasn't really the whole truth or even the truth at all. Then, people got annoyed. (Nurse)

But not all rumours are generated by managers' actions. Some rumours arise because staff members have views among themselves about each other's ways of working.

I think there's a lot of gossip here on the floor – much more than at my previous workplace, for example. At my last workplace, you didn't go straight to the boss when you had a problem with a colleague. (Nurse)

Several staff members also described how individuals in the personnel group could worsen the work environment by talking behind each other's backs following conflicts – a situation described as extra burdensome for supervisors in their management of everyday work.

Staff members also described that there may be situations and factors from a distant past that cause communication to be defective and cause misunderstandings. They gave examples of how staff members stopped communicating with each other because of previous conflicts; they described that this was problematic at a workplace with so many people who must work in teams requiring close communication.

When several new staff were hired at the same time, it created a situation that many participants believed to be generating rumours.

Some older staff that were still here, who had worked here for a long time, thought new staff members were working in the wrong way. Someone then came down a little too hard on the new staff, saying that they were doing a lot of things incorrectly. They told the manager about these incorrect things, and the new staff were upset because they felt persecuted by the older staff. It is as if those who had been here for a long time were reacting on some security issues. But it wasn't about any big things really – but, for example, how to lock in mobile phones, one should sign in a certain way, such things. And nothing that might affect the services or security really. (Attendant)

Many situations, such as formal information and messages from the strategic management group generated rumours among the nurses and attendants, demonstrating the relationship between formal information and rumours. We also noticed that rumours reaching the ears of the strategic management group and operative managers created new rumours among managers, affecting their formal decisions and the formal information they distributed. In many cases, we found that bad news, news interpreted as bad, or news that generated questions resulted in negative interpretations, even to the person who generated the rumour.

### **Sources of rumours**

Care-unit managers heard rumours from their contacts at regular meetings, both in the morning and at the end of the working day, in so-called reflection sessions.

In the morning gatherings, you go through the day, but here you can also bring up specific patient issues that could become a workplace problem. Then, we have reflection session every day. Here, we proceed with some set

questions. The goal is that you should be able to leave your work behind when you go home, with the feeling that you have done the best you can. We designate two staff every day who deal with these activities and who manage the reflection sessions for that day. (Care-unit manager)

On these occasions, based on informal information, staff can call attention to working conditions and situations that affect the workplace environment. At the more formalised workplace meetings, work environment issues are also a regular topic. Furthermore, the care-unit managers had many interactions with others to check the validity of informal information.

Vertical communication between staff and direct line managers can also result in loss of information as it goes from nurses and attendants to the director or the leadership group. It is easy to confuse the fact that decisions should follow the decision path of a line organisation with the idea all communications must follow the same path. If a staff member communicates rumours and other informal communication through the direct line, that staff member must believe that this is the only way that rumours will reach the director or the leadership group who has the mandate to make decisions.

What I have heard from staff on the floor is – and I have heard this for several years – that the leadership group does not listen. From their perspective, they blame and complain about the staff members when things don't work. All in all, it creates a negative atmosphere from both sides. (Quality Developer)

The strategic council is described as the arena in which informal information and rumours can be discussed, but its members have no decision mandate. Furthermore, it is not an appropriate forum for such discussions, because there is a risk that sensitive information can be raised here when staff representatives are present.

The leadership group is described as a forum consisting of managers with responsibility for staff. Some of the participants argue that it is difficult in the leadership group to discuss strategically important development issues because the incumbents lack sufficient competence in forensic psychiatry. However, the care-unit managers find that it is more natural and appropriate to address rumours directly with the director than to discuss them in the strategic council or the management group.

I bring up the ideas that I have directly with the director. I usually bring up things and descriptions and ask her, 'What do you think and what could one do with this?' (Care-unit manager)

There are several potential arenas for discussing rumours and their relationship to formal information, but only one is used frequently: the workplace meeting. Consequently, the director has limited knowledge about rumours at the operational level, and only indirectly about rumours in the care unit. This lack of communication may result in the director receiving only a fragment of the rumours flourishing at the floor level, thereby hindering the dynamics between rumours and formal information. At the floor level, on the other hand, the daily reflection sessions seem to provide ample informal information, including rumours and gossip, resulting in formal decisions.

## ***How rumours develop***

### ***Dispersion of rumours***

Rumours can develop and spread from various situations and observations. One nurse suggested that it is better to discuss a rumour with the person involved rather than sharing it with colleagues and:

... rather than merely interpreting something on your own. Perhaps, this person had a good reason for why it was so, but now [another staff member] has created another interpretation of it and spread it instead. And that's how it's been; instead of bringing it up with that person, maybe [the staff member] goes to the boss or me and talks about it. (Nurse)

The supervisory nurse may receive and must decide upon more than one story about the same situation. Rumours of this kind can weaken confidence in the skills of the person that the stories relate to.

The interpretation may have been created. It might not have been so from the beginning. But when a person interprets it in his or her own way, it may not be the truth. But talking about the person it concerns can undermine the confidence in that person. (Nurse)

Rumours can be spread about a proposal for change that someone was merely thinking about and the rumour is circulated as if a decision had been made.

I had talked to the others who are responsible for security in the other department about the fact that we might start crushing certain tablets so that the patient does not save it or share it. It was just a thought from me; this actually requires a physician's order if you're going to crush tablets. But then the next day, I was told during the morning report that we were to crush all tablets for those patients who have a drug abuse background. So, I went and crushed the tablets before I gave it to them, but it was, it was not physician-prescribed. The physician had not even heard about it. It was just my thoughts that came up in the report. (Nurse)

When supervisors listen to stories that criticise another staff member and act towards that person as if the story were true, rumours and gossip arise about the staff who talked to the manager about their shortcomings in the execution of the work.

Talking with the [care-unit] manager [about someone else] is quite serious. Maybe you can talk to both people at the same time, instead of talking to one and then the other about those who had problems with each other. So, there was a lot of talk behind each other's back and so on. Not everyone talked to each other, except talking to each other about someone that had done such and such! Many rumours spread. A lot of people talked badly about people behind their backs, and they went to the boss. People could start telling me that so and so had done this and that, and now I went to the boss and said this and that. And then I could hear from the other person who told me about the first person. (Attendant)

Reactions to the rumours became stronger.

You didn't have to react so strongly either. Plus, yes, maybe there were some exaggerations too. Some also spun a story. But there were many emotions involved. There were many people who felt offended. There was a lot of hate, I thought, against some people who also embellished on everything. So that in the end, it became very personal that people couldn't, like, almost work side by side, because it was like, because it had become so infected. (Attendant)

The rumours also had a tendency to stick around and spread outside the established meeting forms that were intended to resolve views on working methods. In this way, rumours continued to spread throughout the personnel group.

There ends up being a lot on the side, which doesn't come up in the big forums where we have reporting sessions, such as WPM [Work Place Meeting]. Then people talk about things that they usually talk about. So, it's not so much what comes up in a general discussion, that people sit and scream at each other, but it's more in the periphery. But it can be quite poisoned in the periphery as well. But it rarely touches upon those whom it concerns. So, it ends up that you don't talk to each other but you talk about each other or go to the boss. I think you notice that there's still some irritation among those who still feel offended. So, there is still irritation, and we noticed that yesterday on the planning day. There was a bit of fuss, not so much about things. But more that it was based on personal stuff. So, they're still there, I believe, those wounds. (Attendant)

Rumours spread like infectious diseases. They may come back to the person it concerns in a distorted way, often in an exaggerated form, which may lead to strong reactions directed against the person concerned. The emergence of rumours in all their stages, from their first generative stage to their widespread dispersion, may have the potential to harm the organisation. The rumours may also carry important information not known to the managers in any other way. Accordingly, the dynamic relationship between rumours and formal information seems to have the potential to be used by the managers.

### ***The interplay between rumours and formal information to legitimize decisions***

#### ***In top-down processes***

An example of the use of informal information occurred when managers were deciding on a workplace initiative called 'cultural journey' as a way of creating institutional change. The director referred

in conversations with staff to oral descriptions of a workplace environment with distrust between managers and staff. The director's decision to launch the 'cultural journey' – to focus on value-based work in the change process – was legitimised by staff members' quotes and rumours about how other staff had communicated with patients in a patronising way. The decision was made despite some of the participants criticising the basis for the 'cultural journey' decision, given that no real problem analysis was made of the actual working conditions.

However, we have major problems, but they are, for example, about the lack of physicians, many untrained physicians, personnel on sick leave, and personnel who quit. (Quality Developer)

Others argued that the decision was right and that they were not critical of the leaders for making decisions based upon informal information or rumours.

### *In bottom-up initiated change processes*

Some of the participants emphasised the importance of taking stories about staff members' frustration more seriously. These stories contain descriptions of services not provided and working conditions that could constitute a legitimate basis for complaint. One such example was based on staff perceptions that the treatment period for patients should be shortened; it was seen as stress-producing for both patients and staff, given the staff shortages. Consequently, the director decided, based on staff members' informal information and descriptions, that one of the quality developers should review all routines and flow schedules with an eye to shortening treatment periods.

Treatment periods are unusually long; nothing happens and you feel pressure. This creates poor workplace environment for staff members. Previously, you had no instinctive feel and did not listen to experiences around the routines that existed. (Quality Developer)

There are many complex interactions between the two sources of information. It seems that these interactions may strengthen management's possibilities for motivating staff and realising their own decisions.

### *How rumours are terminated*

#### *Suppression of rumours at early stages*

The results indicate that the director and the care-unit managers wanted to prevent rumours by posting information, such as patients' satisfaction with their care, on the company's Intranet and Facebook page. Satisfaction data were collected by giving patients an information page on which they could indicate their level of satisfaction with their care by clicking on a smiley face, a neutral face, or a sad face.

Care-unit managers also reviewed care plans with staff members in order to follow the results of completed care efforts, to refer to the registration of quality deficiencies in healthcare, and to review statistics on the number of patients who had relapsed into criminal activity. Care-unit managers also emphasised the importance of uniform decisions leading to fair conditions for all staff, in order to prevent speculation and rumours from arising over reasons for different care plans.

In the strategic council, we raise issues where we need to make decisions that will apply to all units. We try to do the same thing for all the units. If there is a Christmas lunch, then it is on the same day [for everyone]. (Care-unit manager)

In order to prevent rumours from arising, it is important that the director and the care-unit managers show that they are listening to their staff members' descriptions and that they have considered the information they provided.

In those cases where you cannot make decisions that your staff wanted, it is important to show that you have considered them. That you then talk about it and inform them about what is decided and why. It is important for you to be transparent about what affects the decisions that are made. (Quality Developer)

How do the acts of management help to prevent the emergence of rumours? Partly by bringing problems to the surface directly and by announcing future changes within the framework of established meeting forums.

The manager listens to staff that come and talk about something; he or she pays attention to problems, pays attention to potential problems, and discusses such things in the right context or on occasions such as at the WPM or something, identifies problems, and, yes, takes action. The manager informed in good time if there would be changes. (Nurse)

The manager's ability to be balanced and impartial in emerging discussions and to normalise situations is also perceived as crucial in preventing rumours from arising.

But maybe the boss has tried to calm the situation down even more. Maybe tried to – instead of putting down everything when someone comes and complains about someone else ... tried to normalise, calm the situation down, try to calm down the emotions. Maybe tried to see more of the underlying reasons ... Not everyone receives it so well that you get a conversation with the manager behind a closed door. (Attendant)

One favourable basic condition for keeping the spectrum of rumours from spreading is the way work is conducted – with a strong patient focus and on the basis of strict professionalism.

Previously, it was a mixed group. Some were new and others had worked here for very long time and had solid experience. But the focus was on the work and the patients themselves. Then, there was not so much that arose in the relationship among colleagues themselves; instead, it was smooth work. So, I felt that the skills relating to diagnoses and patients were higher then. You get to your work, you are employed here, and have your tasks to follow, and that means a certain professional attitude in it too. Some things you just have to let go and take care of in your spare time. (Section leader)

There are many ways to suppress rumours at early stages and create obstacles for using their potential in relation to formal information. One is to focus on patients and tasks. It seems inevitable, however, that rumours will emerge. If handled in serious discussions about formal information with the staff, it may create trust between managers and staff. Rumours seem at best to create a common ground at the workplace.

### *Suppression of developed rumours*

Despite measures to prevent rumours, rumours do take hold – rumours that management wishes to suppress. One explanation for their emergence seems to be the length of patients' treatment and the difficulty of seeing results of the healthcare personnel's short-term efforts, affecting the workplace environment in a negative way.

You have to decide for yourself what you have time to do during the day and then be satisfied with it when the workday is over. It's your own choice. I don't allow whining. And I don't allow whining during meetings. Of course, one must be able to talk about difficult things. But one should give concrete examples. People who are already down on the floor love to bring others down too. (Quality Developer)

The previously weak leadership of the institution is also considered to have created a fertile ground for rumours.

The whining can be about things that have been ok to say for ten years here – that the leadership does not allow for quality in the services, for example – something like 'Everyone here does a terrible job and the leadership does nothing about it.' There is a lot of self-inflicted victimisation, unfortunately. It's a form of power for some staff members, which worked during a period when the leadership allowed itself to be trampled upon. (Quality Developer)

During the past year, there have been discussions within the rehabilitation unit about the way routines are applied and that they need to be updated to current conditions in order for all staff to follow them carefully. The older staff members' deviation from current routines, in particular, has given rise to dissatisfaction and rumours among younger staff – about favouritism, among other things.

There was some bickering around ambiguity in routines when I started as a manager. If one misunderstands things, it may give rise to a downward spiral that creates the basis for distrust and bitterness. There becomes a negative tendency that is contagious. You hear in a working group that 'so and so did this and someone did that'. It's about not saying anything to each other. It becomes like there's good and evil – the good ones are those who others perceive as following the routine and the evil ones are those who don't follow routines. And this can result in having to go on sick leave. (Care-unit manager)

Ways of documenting routines and follow-up on comments about deviations becomes important in order to prevent problems in the workplace environment.

We have said that when a routine is written down, you cannot change whatever you want. But you can bring up the routine at the regular workplace meetings, and we can discuss it there to see if there is any need to make any changes. If there is, then I make the changes and then insert the new description of the routine and the new working method in the common folder. It should be easy to find where the procedures are kept and that they are clearly described. If you realise that something doesn't work and if you don't address it, it can lead to problems in the workplace. We have reflection sessions twice a week in the leadership group, where we ventilate this type of problem and where we share experiences and have a voluntary reflection. Care-unit managers are part of this group. We can raise issues like, for example, 'A staff member came and said this, and how can I bring this up in the best way with the whole staff?' (Care-unit manager)

Rumours cannot always be suppressed, for several reasons, and this nurse describes why rumours in the personnel group could turn into gossip.

We get one or two demanding patients, and then there can be a fuss about [which staff members] should perform which tasks. And then it can lead to bad moods. And that's what I think – that stress because of a bad work environment can arise if it gets to be too much. Then, maybe I feel that: 'No, now I'm tired of continuing on here.' So, maybe I, yes, in the worst case, change jobs. There has also been a lot of talk on the floor about top management. About the clinic manager and the chief physician hiring friends who get a job here. (Nurse)

The context we studied was a fertile ground for rumours for several reasons – difficulties in knowing the 'right' way of working, for example. Again, rumours may offer input into deep discussions on how to work and how to develop common ways of working, sometimes following routines. Some rumours concerning leadership may turn to gossip about a specific manager, which seems to threaten the stability of the workplace.

## Analysis

Rumours provided richness and complexity to the mix of information in this hospital, but they also yielded unconfirmed information. Moreover, as rumours started from several sources on several occasions, they could not be easily systematised, and managers had to meet to evaluate them. An organisation's ability to avoid the sources of a bad work environment in their everyday work situations depends on their managers' collective ability to interpret rumours and act upon them (e.g. Roux-Dufort 2009). Rumours gained strength, for instance, when the previous leaders tended not to listen to rumours. This problem was highlighted by the care-unit managers who were left alone in their interpretations of the rumours, with the feeling that everything was not right. Under the present leadership, however, the managers seem to be serious about interpreting rumours. Some of them have played a dynamic role in interaction with formal information and have had an impact on decision-making in the management team. The care-unit managers listened to complaints and rumours and analysed what to do, updating and documenting routines, for example, in order to prevent new rumours from starting. Some of the rumours themselves were regarded as the problem and a threat to the overall well-being of staff. Such rumours were prevented from arising and the managers managed to suppress existing rumours and prevent them from being spread throughout the organisation.

The managers used meetings to interpret which rumours had emanated from which sources and through which managers in order to determine their potential threat to staff members' perceptions of the managers' impartiality and objectivity – as an exercise of interpretation to enable fast action

(Weick 1987; Day and Schoemaker 2004). The rumour concerning the care-unit managers' plan for a Christmas lunch for co-workers was such an example. When various managers give similar views, it often strengthened their beliefs enough that they needed to act (Weick, Sutcliffe, and Obstfeld 1999; Weick and Sutcliffe 2007). Face-to-face communication was essential here, as it enhanced the capacity to act (Weick 1987) in a transparent and coordinated way. The rumours did not seem weak, but it was not immediately obvious that they destabilised the trust in the leadership. To be able to act, managers need to be mindful and to track small signals and discriminatory details (Weick, Sutcliffe, and Obstfeld 1999). An eagerness to follow staff members' compliance with continuous routines and their opinions of staff members' compliance indicates that just one care-unit manager allowing for deviations from normal procedures and offering differentiations to benefit one co-worker may have the potential to cause rumours that may negatively affect the well-being at the workplace.

One of the quality developers told us that some of the rumours were considered cantankerousness – reminiscent of difficulties from the old days, and that some marginalised staff members repeated those rumours. As the results of this study have highlighted, managers face an obvious difficulty in trying to take advantage of informal information: They must identify the right rumour through the noise of informal information (Day and Schoemaker 2004) and avoid acting upon so-called decoy signals (Turner 1978). Face-to-face communications convey rich and early information, as in the evaluation of rumours caused by older staff members' deviation from routines. Furthermore, we found that the ability to make sense of informal, unreliable information was grounded in a collective ability, as when the care-unit managers repeat rumours they heard at their wards, underpinned by personal trust and honest answers. To ask, 'Do you see what I see?' and expect an honest answer serves to reduce uncertainty and enhance the propensity to act.

One result of our study is related to the interplay between formal and informal information. Formal information, such as sick-leave summaries and turnover reports, together with results from staff surveys about how they perceive their workplace, were the most common sources of information in this organisation. Yet, managers were constantly scouring news reports and other sources for signals of potential issues that could be analysed in order to understand the workplace situation. It appears, however, that this type of information had little significance in mobilising actions; the situation was merely described – and sometimes described as problematic. When an unfortunate situation was identified as upcoming, however, there was intensified reliance on informal information sources – following the change in leadership, for example, when a decision was made about the 'cultural journey'. Managers seemed to believe that they could identify the 'right' rumours, interpret them, and ultimately act upon them. Their information seems to have been acquired through direct contact with their co-workers, in meetings arranged for listening to rumours, and in face-to-face conversations with colleagues from other wards and departments. With this informal information in hand, the managers could interpret the causes of a negative development, as indicated by numbers in formal reports, and change their policies and actions in order to avoid an unfortunate workplace situation. Some managers, particularly those in the newly recruited leadership team, seemed to analyse rumours and handle unfortunate upcoming workplace situations more successfully than others. The active but not dominant use of informal information in normal situations seemed to create the necessary readiness to act quickly when an unfortunate upcoming situation was imminent.

Senior managers were ready to accept the importance of rumours in a difficult inherited situation, fraught as it was with problems in recruiting staff, dealing with high rates of sick leave, and upholding daily production. Formal information, such as numbers, were the key for conveying information long distances down a hierarchical organisation, which may have delayed the use of such informal information as rumours. Plausibly, the ability to identify valid rumours, evaluate them, and promptly act upon them was reflected in the extent to which the managers in this study relied upon informal information. Even so, the managers' evaluations of rumours, together with their staff seemed to strengthen the manager's trustworthiness as competent leaders. Rumours directed against an



individual manager that turns to gossip may be detrimental to the trust that that manager can generate, however.

## Discussion

This study yielded three primary results: (1) Rumours were a key source of information for managers. (2) Managers' trust in informal information created trust among staff members in their managers' abilities. (3) Negative rumours can turn to gossip when not recognised and handled competently.

*Rumours were not a peripheral source of information* in this study; rather it was crucial that managers understood and related to them. Such formal information as statistics, existing without a dynamic relationship to informal information, could be used only in retrospect to describe how a declining process develops and confirms that a workplace is dysfunctional. Without using the informal information, it was difficult for the managers in this study to gain insight into the way they should act, often resulting in their acting too late. These results confirm more general results about the relevance of rumours in managerial work, highlighted in earlier research by Gambetta (1994), Rooks, Tazelaar, and Snijders (2010), and Roux-Dufort (2009). To a greater extent than previous research, however, this study supports the position that rumours play a strong role vis-à-vis formal information. In line with the general statement by Diefenbach and Sillince (2011) concerning the duality of formal and informal organisations, we claim that rumour is not necessarily a secondary or supplementary source of information when compared with formal information; nor is formal information a secondary source of information in relation to rumours. This study indicates that formal information and informal information in the form of rumours form a dynamic relationship as sources of information. The complex interactions between the two sources of information is described as an emerging ordering process. Rumours are then part of a continuation of the ordering of social structures and processes, with the similar primacy as formal information. This result could also be related to the findings of Courpasson and Clegg (2006) by contributing to an understanding of why the increased focus on and availability of formal information is increasing the need for informal information. Thus, rumours need not be defeated, but can be used to guide and redirect managers' actions.

The second result of this study indicates that *managers' abilities to include informal information in their daily work to improve the work environment creates trust among the team members*. If the managers in this study did not listen to or use informal information, confidence in leadership could have been harmed. This result contradicts many previous studies. Although rumours are said to create mistrust among staff members (McCarthy et al. 2001) and between managers and staff (Safferty 2004), thereby damaging cooperation (Rosnow and Fine 1976; DiFonzo and Bordia 2000), the results of this study do not indicate that these consequences of rumours are necessary. The difference may lie in the managers' willingness to accept rumours as relevant information in their decision-making and their ability to be involved in discussions with staff based on rumours. The results of this study are in line with Michelson and Mouly (2000), who also highlighted the reinforcing role of rumours in relation to social bonds and formal work structures. Ours study adds another factor: the significance of managers participating in the assessment of rumours. Rumours, in their ongoing dualistic relationship to formal information, provide a base for discussing different views and pictures of reality. Through a critical attitude towards rumours within the team, a picture of reality can emerge that managers and staff may perceive as sufficiently correct in order for them to work together.

When it is difficult for staff members to see concrete results and progress in these operations and services, they can become increasingly receptive to rumours; then what becomes more important to them is what emerges from the rumour route in its dynamic relation to formal information. This result about the susceptibility of rumours is in accordance with Gambetta's (1994) result concerning universal social activity or markets, in which it is difficult to evaluate the product and the service. These insights become especially important in understanding factors that can generate poor

workplace environment in public sector organisations in which results are difficult to measure – where it is difficult to obtain adequate formal information.

The third result is that *rumours can turn into gossip when they are negative and the manager does not act properly* – by neglecting rumours or overreacting in favour of one of the parties in a dispute. The practical implications of these more general conclusions are that a manager's inappropriate behaviour regarding rumours can create a poor work environment, undermine the manager's leadership, and create an unsustainable situation for that manager. That situation can lead to the leadership team losing control over services and organisational actions. In previous studies, however, the functionality of gossip is described as a warning system against upcoming danger (Dunbar 1994), as a way of alleviating excessive levels of stress among staff (Mishra 1990, 223), or even serving as a survival mechanism in a bureaucratic organisational structure (Gabriel 1991). Our results indicate the dangerous consequences of flourishing gossip for the management of an organisation.

Recent studies have shown that informal information, such as gossip, may have negative consequences on the work environment concerning cooperation, trust, and emotions among employees (Dores et al. 2019; Martinescu, Janssen, and Nijstad 2019; Wu et al. 2019). Unlike previous studies, we have shown that the relationship between formal and informal information is dualistic rather than complementary/supplementary. In practice, this means that managers need to relate to the ongoing dynamic dualistic relationship between rumours and formal information. In this way, managers can improve the work environment before rumours turn to gossip, leading to a deterioration of the work environment. Thus, the practical implications from this study contribute to the highlighted need for knowledge about ways that managers can improve the work environment when there is an increasing risk of rumours turning to gossip.

Rooks, Tazelaar, and Snijders (2010, 1) see gossip as 'the vehicle of reputations', and from this study, we claim that rumours may occupy the first step in the process, as 'the vehicle of gossip'. The difference between rumours and gossip concerns more than the subject of the information or the way it is conveyed. It is the character of socially undermining a person's reputation, especially a manager's that can inhibit future trustful discussions that is the most significant feature of gossip.

If rumours turn to gossip, it could create a political, dynamic, and managerial risk, which could damage the dualistic relationship between rumours and formal information in the cooperative discussions between managers and staff.

## Conclusion

We have investigated why and how informal information in the form of rumours gains relevance for the actions of managers in their daily work, and what actions taken by them may cause positive or negative consequences for the organisation. The answer to 'How?' concerns the relationship between the formal and the informal, such as rumours. The answer to 'Why?' concerns the relationship between managers and staff.

There are three results of this study: (1) Formal and informal information represented a duality. (2) When managers demonstrated an interest in rumours, they also demonstrated interest in the reality that staff members perceived as relevant, thereby creating trust. (3) If the manager neglected rumours, the rumours were likely to turn to gossip directed against the manager.

The first result confirms Diefenbach and Sillince's (2011) perspective on a *dualistic definition of the relationship between formal and informal organisation* by including a dualistic relationship between formal information and informal information, even rumours. This result also contributes to an empirical understanding of Courpasson and Clegg's (2006) argument of the need for a more contemporary definition of management processes as a dualistic and political dynamic social process based on 'fact-based management' and 'trust and dialogue-oriented management'.

The second result, explaining *the creation of trust*, contributes to a more detailed knowledge in relation to earlier studies, by demonstrating how and why rumours are validated in an ongoing

process, where some rumours are killed and others form the basis for action. It demonstrates the potential of trust building between managers and staff members, an aspect neglected in many previous studies (Rosnow and Fine 1976; DiFonzo and Bordia 2000; Michelson and Mouly 2000; McCarthy et al. 2001; Safferty 2004).

The third result, in which *rumour can turn to gossip*, demonstrates the negative and dangerous consequences for management of not handling rumours properly, which is an aspect neglected in several previous studies that merely emphasise healthy aspects of individuals and the organisation at large (Mishra 1990; Gabriel 1991).

One practical implication of the results of this study is the necessity of strategic and operative managers listening to rumours and other informal information, interpreting them, and acting upon them at an early stage. Rumours and gossip demand continuous action by managers in daily working life. The manager's ability to prevent negative rumours from spreading through early interpretation and intervention is crucial for a workplace of the type we studied here if managers are to support a well-functioning workplace and promote well-being. The smallest deviation from the expected can, like Gambetta's rumours regarding susceptible markets, lead to managers' reputations being damaged, and result in management eventually losing its relevance in the eyes of staff members.

In future research, we suggest that observations of reflection sessions and interviews with operational staff should be included, in order to obtain a better understanding of the ideal ways for managers to deal with rumours. Furthermore, studies on workplaces dominated by administrative officials and case workers should be conducted in order to compare managers' decision-making, thereby promoting wellbeing in other public organisations.

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