

# Leadership, Crisis Communications and the Reputational Threat

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Business schools prepare organizational leaders to deal with many types of situations – some favorable, many threatening. While preparedness for any type of crisis could always be better for every organization, today's leader is far more likely to emerge from a natural disaster far better than he or she would if the organization faced a reputational threat, such as alleged hiring discrimination, violation of laws or accepted practices, missteps in regulatory reporting, or mistreatment of the whistleblower who kicked off the crisis.

Reputational threats are the greatest challenges to an organization's survival, yet few leaders understand them or have a faint clue of how to deal with them. In fact, as we'll see later in this article, most leaders, acting on managerial instinct, are likely to employ strategies that will make things far worse.

Reputational threats are far more likely to occur than a natural disaster, yet most of the preparation for communications in a crisis if there is any, is aimed at the tornado, earthquake, flood, or non-deliberate fire. Many other potential crises, and their associated reputational risks, loom, including:

- **HUMAN RESOURCES ISSUES** -- employee sabotage, workplace violence, labor strife, performance incentives, alleged discrimination/diversity, infectious diseases, treatment of whistleblowers, layoffs
- **OPERATIONAL ISSUES** -- misuse or spillage of hazardous products, fires or explosions, environmental issues, transportation accidents, large-scale IT failures, supply-chain disruptions, loss of power utilities
- **LEGAL/REGULATORY/GOVERNMENT-RELATIONS** -- violation or perceived violation of laws or accepted practices, allegations of financial misconduct or significant mistakes, missteps in regulatory reporting
- **BUSINESS AND MARKETING ISSUES** -- accusations from competitors or others in the marketplace
- **CORPORATE GOVERNANCE OR CORPORATE MALFEASANCE ISSUES** -- allegations, true or false, of misbehavior by either the organization or one or more of its key leaders
- **COMMUNITY RELATIONS ISSUES** -- conflict between the organization and its community or with a zealous and relentless reporter or media vehicle.
- **FINANCIAL/ECONOMIC ISSUES** -- the public's or regulators' perceptions that the organization has misrepresented its budgeting, forecasting, or equity statistics in order to gain an unfair competitive advantage.
- **MEDICAL ERRORS/MALPRACTICE ISSUES** -- mistakes or persistent accusations
- **SECURITY ISSUES** -- civil disorder, terrorist acts, executive kidnapping, consumer/activist protests.

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