

The barrel is spoiled - Who's the rotten apple?

Understanding your role in the reputation of your organisation

Professor Eddie Obeng

It's been a month and a half. The CEO quit, well he had to. The stock price is down by 40% The organisation is being investigated. And given the way that sales have fallen as customers boycott the organisation, mass redundancies can't be that far behind. Anyway, many of the key staff are already resigning because they don't want to be associated with the organisation's name - doesn't look good on the CV. All this and you know it's all your fault. Well not entirely your fault. I mean if the Director of External relations hadn't cut out all communications with the journalists maybe they wouldn't have had to make things up - maybe they wouldn't have dug so deep. But wasn't it amazing the speed at which it all went out of control? Within hours the story was all over the news, there were reporters camped out on the steps of head office. And if your sponsor hadn't encouraged you to stretch the truth about the level of overspend on the project...

When things go wrong with an organisation's reputation they go wrong in a big way. The recent drop in the value of Google's share price was put down to technical issues with its tax position by analysts but we all know that the once-proud shining reputation of the business which said it would 'Do No Evil' was wrecked by their commercial decision to assist the Chinese government in keeping its people in the dark. The possibility of

the stadium at Wembley not being ready for the World Cup has already ruined the reputation of the construction companies involved. The inability of NASA to recognise that it was using the wrong O-rings has reduced public interest and their own self confidence to the point where the number of missions flown has been decimated. Shell may provide cast iron pensions but who wants any friend or colleague to know that they are living on one - from a business which simply 'makes up' its reserves? The list goes on.

I may lose customers and market share but if I lose the good name of Coca Cola, I lose everything

CEO

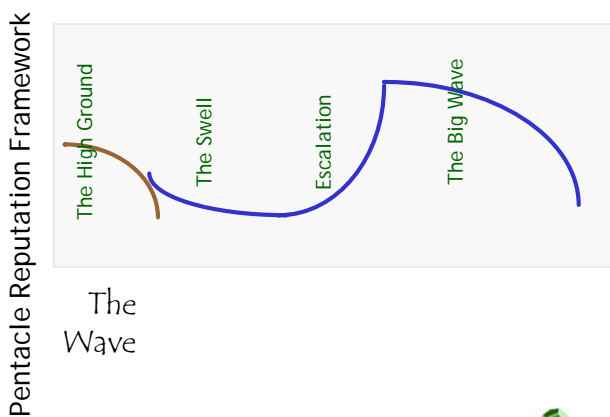
Our fast changing global world is almost back to the old wild west. In that turbulence the only way you really knew if what you were getting was what you expected was by checking the marks on the bottles of potions and snake oil and the brands on the beef you were about to buy.

Reputation Equity = [Our promise] - [Your (anticipated) experience (or the experience of others you believe)]

Now the name is not enough. In a global world where it is difficult to know who to trust, the heritage, track record and third party endorsement of

the organisation are the most crucial sustainers of position.

The reason is simple - pace and complexity. Here's a question when you get on a plane for a business trip or a holiday: "do you do so trusting the pilot?" I think not - you may not even see the pilot. Or is it the airline you trust? No again, because it is unlikely you know the safety statistics of all carriers. Then perhaps it's the air traffic controllers you trust? The system? The Rolls Royce Engines? No, the truth is none of those. You base your faith entirely on what you have 'heard', on your view of the likelihood that the people you are making responsible for your life will take it seriously and can be relied upon. This means they don't tell lies, cheat or exploit others (or they might cheat you too!) and that they are willing to listen if something is going or has gone wrong and have real willingness to put it right...



PROVOKING – INSPIRING – EDUCATING – FACILITATING – COACHING

In fact being seen to be trustworthy, admired, and having a strong reputation is now one of the best ways an organisation can evolve to cope with the challenges of the new world. Building 'reputation equity' (THE HIGH GROUND) puts you on the 'high ground'

above the others. It makes it easier to recruit talent, to do business across the globe, to have your marketing messages listened to and so on. So in our complex global fast changing business environment, the impact of any damage in this area of reputation is so significant that it makes it one of the highest priority risk areas for the organisation. It also does the same for you personally.

The term 'reputation manager' was in use by IT inventors looking for ways to improve search engines by including 3rd party recommendations before it became popular as an organisational approach

In a world of global media the effect of any mistake can be amplified and shared with the world almost immediately.

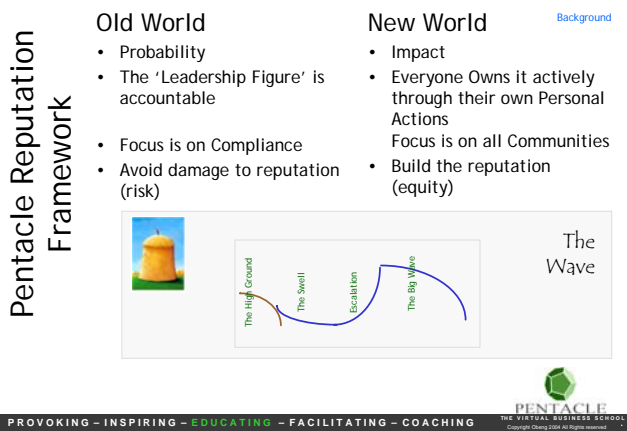
but wasn't is amazing the speed at which it all went out of control?

Project delivery is one way organisations get an opportunity to prove that they deliver what they say. People expect projects to go off the rails occasionally and this is damaging but not as damaging as mis-reporting.

And if your sponsor hadn't encouraged you to stretch the truth about the level of overspend on the project...

Covering up the extent of the problem is far more damaging especially when you get found out. And when (not if) it gets found out that you were in such a hurry to hit the deadlines you didn't allow the concrete to set or you invented medical research data records, you only have a short time (THE SWELL)

to put things right before the media frenzy (ESCALATION) engulfs you like a tidal wave (THE BIG WAVE).



When the big wave strikes - it is too late to swim for it

But it's not just big projects which can have a severe impact. Individual personal actions can have huge implications, for example in the case of the 'officious official' who insisted to a woman breast-feeding on a bench outside in the sun that she use the room which had been provided by the establishment for that purpose. Only to discover later in the press furore that she was the head of the natural child birth association.

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In the period of the swell we often do the exact opposite of what we need to do to save the situation. Remember people are looking for reasons to trust you. It's hard to trust someone who suddenly stops talking (to the press). Talk but focus on the facts of the scenario not the details of the case or

the peripherals (for example, recently in a near accident in a light aircraft carrying celebrities the pilot talked openly and honestly about the issue of landing gear failure and the training procedure whilst the celebrities were whisked out of the back door). Before the event it is important that everyone understands how to be joined up. Inconsistencies breed mistrust.

Once escalation begins you become a passenger. You can make the ride worse by over-reacting, over protesting, breaking even more trust at which point your position becomes untenable. Remember there are tons of governance bodies and 'do gooders' who are just waiting for an opportunity to pounce, investigate and probe and without the shield of reputation equity you are very vulnerable.

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It's only after the big wave passes that you can assess the damage and understand what to do next.

So in advance just remember:

- Understand the value of your reputation
- Manage all stakeholders' expectations. Take personal active ownership of reputation

- Be **holistic**. Think about all the stakeholders and constituencies affected by issues in your project or activity
- Identify the main **opportunities for growing reputational equity by communicating what is going well to get as high up on the high ground as possible**
- Identify the main **causes of risk** - Causality not Correlation
- Apply **joined-up management** - make sure in advance people understand their responsibility to be open with the outside world but like a colony of

ants to seek out what is known internally. One team - use diversity to seek out opportunities.

- Pro-actively build the high ground and keep a fast crisis response

. All this and you know it's all your fault.

Finally, always remember the organisation's reputation is only as good as the weakest person in it and make sure it isn't you.

Prof. Eddie Obeng is Learning Director at Pentacle The Virtual Business School.
 20 London End Beaconsfield Bucks HP9 2JH +44 (0) 1494 678 555
 repute@PentacleTheVBS.com

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