



MANAGING YOUR ORGANIZATION'S REPUTATIONAL RISK

Of all the hazards and dangers associated with operating a business including property, liability, and employee injury, damage to your organization's reputation can be the costliest. Think of all the work you put in to ensure you and your employees are working diligently to care for your internal culture while providing exceptional service to your various constituents. This demonstration of character, honesty, reliability, expertise, value, empathy, and trustworthiness creates a perception we call reputation.

Reputation is the culmination of years of careful dedication to ensuring everyone is doing the right thing for the right reason. It is rightfully a source of collective pride. Reputation can also suffer severe damage in an instant. Recent examples include:

- Tyson Foods in Iowa whose managers allegedly ordered employees to work during the pandemic while they secretly bet with each other on how many would contact COVID-19.
- Purdue Pharma, who saw their owner's family fortunes diminished while museums turned down their charitable donations due to Purdue's connection to, and possible culpability for, the loss of life due to opioid abuse and addiction.
- ERCOT and the alleged mismanagement of the Texas power grid and perceived lack of preparation.
- Countless examples of seemingly ignorant or misguided comments, tweets, or long forgotten incidents which have ended careers or shuttered companies.

It takes many good deeds to build a good reputation and only one bad one to lose it. ~ Benjamin Franklin

Reputation damage can result in a loss of public trust and can stem from events beyond your control and negative publicity which shapes in how your customers view your organization. In an age of a 24/7 news cycle, social media and "citizen journalists," misrepresentations are not only possible but likely inevitable. Through the power of social media, any kind of news (good or bad) can go viral and reach global proportions in minutes. What you do to mitigate the potential damage could save you time, money, trust, aggravation, and the adverse effects of reputational harm.

Some steps to help predict and prepare for risk to your reputation include:

- Provide internal training with employees centered around the positive aspects of respect for others in and outside of the workplace. Discuss adverse impacts to the organization as well as personal and professional consequences.

- Strategically prepare for possible scenarios that may cause damage. Calculate what may cause unrest in your constituents and create practices to mitigate the risk. Prevention is key and can keep you from spending needless time recovering.
- Develop a solid plan of action to implement in the case of a reputational incident. This plan can interrupt the event and extinguish or shorten the duration. This plan should include people to contact and steps to follow as part of a written procedure.
- Establish a strong set of policies, procedures, and employee expectations. Create a section in your employee handbook which addresses public statements and social media. While you can't force an employee to never post negative information about your organization, you can make sure employees are aware of the consequences of stating libelous, slanderous, or confidential information in a public forum that could damage your reputation.
- Use tools like "Google Alerts" or "Social Mentions" which scan and monitor search results and social media and notify you when your organization's name shows up in results or begins trending.
- Ensure employees know to relay all requests for interview or information about your organization to Executive Leadership or to the Communications or Public Relations department.
- Research PR and/or legal firms in advance who may help with intervention and recovery steps before you experience a potential damaging reputation event. Speed is listed as a crucial factor in the amount of damage you incur, and the time spent finding a support firm can be the difference between success and disaster.

Even if you take all the listed steps, your reputation may still take a hit. Organizations who have a strong reputation can weather the event and rebound rather quickly. Given the speed of the news cycle and short attention spans, incidents can get lost in the fray as the public moves on. Relying on short memories alone is not a sound strategy.

Take some time after any incident to see what steps might have been taken to prevent the risk to reputation. Have a discussion from different viewpoints and update your prevention plans. Ensure you have strong constituent relationships and monitor what is being said online. Time and careful planning now can pay huge benefits to the most important asset your company has which does not appear on a balance sheet; your reputation.