

How to manage your career in a corporate crisis

By [Auguste Coetzer](#)

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Your company is embroiled in a reputational crisis of such magnitude it could bring down the business and with it your previously stellar career as a senior executive ... what do you do to protect your own good name?



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It's no idle question. Some huge organisations – from BP to Ford to Volkswagen to KPMG – have recently been in the reputational crosshairs and in the era of non-stop communication, whistle-blower hotlines and tighter regulation more will follow.

US estimates indicate 19 out of 20 US companies are unprepared or under-prepared for the management of reputational crisis. Even the PR kingpins at Bell Pottinger appeared totally taken aback when scandal erupted on their own doorstep.

We can therefore assume most local firms are at least under-prepared and so are their top executives.

However, some lessons have been learned over the years and broad guidelines put in place; though they generally relate to corporate rather than individual executive responses.

In many instances, however, advice to corporates can be reworked into advice for individuals.

Among tips for corporates is to anticipate crises, conduct an audit of 'vulnerabilities', have a plan in place ahead of time along with agreed procedures, nominate approved spokes-people, brief them on what may or may not be said, and try to appear helpful and ready to communicate rather than go to ground.

Individuals can follow a similar strategy.

Personal vulnerabilities are shaped by executive roles and divisional responsibilities. So, if you are CFO, make sure you are exceptionally well informed on hot financial media issues (e.g. transfer pricing or base erosion profit shifting across borders).

If your division engages in activities that might cause pollution, make sure you are on top of all environmental developments, while insisting on rigorous controls.

Prudent personal preparation includes reinforcement of your own reputation for ethical dealing.

Don't simply talk the talk. Walk the walk. Make good ethical practice an integral part of your approach to your work and personal conduct.

Involve yourself with initiatives undertaken by professional and industry bodies to strengthen ethical standards. Include in your personal network any industry figures, academics or professionals known as good governance champions. Tap these ethical gurus for updates on latest practice.

Speak on ethical issues on industry occasions, though this just might boomerang if your company is caught red handed.

Remember, if you are on the Exco, you are accountable. Senior executives are frontline PR people, like it or not.

If you are confronted by difficult questions (from media or staff) don't become defensive. 'No comment' is code for 'We've something to hide'.

You could perhaps say the issue is under review and nothing can be said until enquiries are complete.

Maintain communication with staff, suppliers and associates, even if you can only generalise and request patience. Refusing to take calls does not help.

When communicating – even privately or via social media – never impugn your own organisation.

You can say you share public concern and indicate sympathy for those affected by the alleged lapse in standards, but joining the chorus of criticism strikes the wrong note and positions the executive as a turncoat.

As the crisis unfolds, the executive has to face a critical question: Do I resign or stay?

The answer depends on the nature of the scandal, the degree of perceived involvement, the reactions of corporate and industry peers, and perhaps professional and legal advice.

If an individual is well known as a fair, honest and ethical professional, damage limitation is possible, though even totally innocent parties can be tainted by association to some degree.

Individuals may face extra scrutiny from their peers, investors and prospective employers. A well-prepared executive with a sound personal reputation should be able to withstand the scrutiny, though living with the aftermath of scandal can make huge demands on those concerned.

Executives who cope best are those who know their consciences are clear and did everything possible to uphold ethical

standards.

ABOUT THE AUTHOR

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