

## MANAGEMENT BLAME FOR PR CRISES IS ON THE UP

The Crisis Communications Consultancy has released the results of its crisis report for the second quarter of 2006. During this period a total of 40 crises occurred of which a staggering 82,5% had their origins inside companies and organisations. Of these, management were responsible for 66,67%.

In comparison, of the 21 crises that affected business, politics and civil society during the first quarter of 2006, 67% had their origins within the organisation, with management and employees equally to blame.

"For the second quarter in a row the majority of local crises had their origins within businesses and organisations," says Evan Bloom, MD of Crisis Communications Consultancy. "This is very concerning, but even more worrying is that there has been a surge in management responsibility for the majority of crises."

There were eight crises in April, or 20% of all crises for the second quarter of 2006. May was the most crisis-prone month with 20, contributing 50% of all crises in this quarter. June saw 12 crises or 30% of the total amount for the quarter.

"The way Tracker managed its crisis, which alleged that employees of the company may be helping hi-jack syndicates, was proactive and open," says Bloom. "The company communicated consistently, never hid anything and played its cards with an open hand. Tracker took action, moved to admit the company had a problem and then told the public what it was doing to fix the problem. This is in contrast with many companies that still choose to implement ostrich-style crisis management strategies and tactics, burying their heads and hoping the bad news will disappear."

### The most high profile crises that occurred during the second quarter were as follows:

- The SABC was exposed by a senior presenter as allegedly having a 'list of unapproved commentators' who were not to be contacted for comment on, or input into certain programmes. The fact that the SABC allegedly had a list of approved commentators has again damaged its reputation and has gone one step further in creating the perception that the SABC is no longer a public broadcaster, but a government mouthpiece.
- The SAA hijacking, which the airline handled exceptionally well. However, Acsa and the SAPS showed that they need to brush up on their communication skills.
- The security guard strike harmed the sector's image and that of the South African Transport and Allied Workers Union (Satawu) with its excessive violence and total disregard for law and order.

Of the eight crises recorded in the month of **April**, all originated within the companies and organisations concerned, with management being responsible for six of the total. Government was to blame for most of the crises (three) with general business, the financial services sector, mining, industry body and transport shouldering responsibility for the rest.

The most significant events of the month were the much publicised and excessively violent security guards strike, the Old Mutual racism case and the crisis in the judiciary with two sets of allegations concerning Cape Judge President John Hlope - the first about his fallout with Judge Siraj Desai and the second concerning the report that he received a retainer, while a serving judge, from a private company.

Crises shot up dramatically in **May** with 20 occurring in the month, of which 15 originated within companies and organisations. Management took the top spot as the cause of nine crises; employees were responsible for six; external factors accounted for five.

Industry bodies contributed the most crises during this month with the following four bodies experiencing crises: NAFCOC, Black IT Forum, National Empowerment Fund and Proudly South Africa. Government, the industrial/manufacturing sectors and general business also had their share.

Of these crises, those most widely covered included the security guards strike; the crisis of confidence around President Mbeki, his leadership of the ANC and Jacob Zuma; the Corpcapital legal case; the high profile Tracker case; Alexander Forbes and its fine for 'bulking' retirement fund accounts; the Vodacom network 'going down' and the resulting spat with Cell C; the faulty Renault airbags; and the theft of a large sum of money, recovered from a recent Johannesburg International Airport heist, from a police station.

June saw a drop in crises with only 12 occurring. National government and industry bodies contributed two crises each with the remaining eight crises occurring in the following sectors: sports, transport, financial services, general business, media, mining and petrochemical. Of the 12, two were the result of external sources and the remaining 10 had their origins within companies and organisations. Once again management took top spot for being the cause of seven of these crises, and employees the remaining three.

The most significant crises for June were the SAA hijacking, the SABC being exposed as having a list of 'approved' consultants and the FABCOS spat.

### **ADDITIONAL INFORMATION**

The report is derived from analysing print media articles in South Africa's leading business daily and weekly publications that cover news events that affect business, politics and civil society.

The data gathered is analysed and catalogued according to a specialised classification system developed by the Crisis Communications Consultancy. The system identifies 35 different crises types that could affect 30 different industry sectors.

A core part of the specialised classification system was the ability to follow a crisis from its formative stage until it became a full blown crisis.

### **Further media information:**

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