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CEOs Face Reputation Pitfalls If They Avoid Social Media

By BEN DIPIETRO


Shannon Wilkinson, CEO, Reputation Communications

Reputation and crisis management expert **Shannon Wilkinson**, chief executive of Reputation Communications, says CEOs face risks when they use social media, but stand to lose even more if they stay away. Ms. Wilkinson's guide "How to Look Better Online: Online Reputation Management for CEOs, Rising Stars, VIPs and Their Organizations," will publish in May.

What are a few of the most common mistakes CEOs and top executives make that can lead to reputation damage to them and their organizations?

MS. WILKINSON: There are two. The first is to do nothing. Many CEOs…they don't own a lot of real estate in their name online, and they have not been proactive in creating a strategy to publish information about them on the Internet. When that happens the world creates your profile online, or Internet bots do. Whatever information third parties publish about you–whether credible or not, whether quality or not–will fill out the top pages of the Google search in your name and you have no control over that. The longer that stays the more difficult it is to replace it with more relevant information.

The second mistake I think is now the most common and it's only going to increase: When CEOs make statements or take actions that are interpreted as being not inclusive, and that are being seen as offensive to employees and the public. Increasingly this has to do with what the public views as a lack of diversity in their company; it's also been tied to consumer concern over the issue of inequity–the high salaries of CEOs versus the low salaries of employees. We saw it with [NFL Commissioner] Roger Goodell, we saw it with Tim Armstrong at AOL, with Satya Nadella at Microsoft, at Lululemon when the CEO stepped down, at Mozilla when the CEO stepped down after a backlash over his lack of support over gay marriage rights.

Are these the same issues they were dealing with a few years ago? How has the reputation risk landscape changed?

MS. WILKINSON: The reputation risk landscape has gone through three developments. The first, which CEOs noticed around 2005, was the first wave of proliferation of anonymous malicious commentary that appeared widely on the Internet and was often directed toward companies, toward CEOs. The second wave was the proliferation of consumer reviews online, particularly geared toward customer service and complaints. The third phase we're in now is the lack of privacy online, the continual spills of confidential in-house memos and emails, and of course the hacking. It's leading to a new level of reputation risk; we saw that with Sony. Almost every insider trading investigation begins with emails. I think email security and just email culture is going to continue being a big problem for companies.

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What makes top executives susceptible to engaging on social media in a way that can cause them reputation headaches?

MS. WILKINSON: Some lack an understanding of how many people use social media and how they use it. I think most CEOs don't encounter issues because of what they say on social media, it's what is said on social media in response to their actions, that is the bigger threat. They're so scrutinized and it's so easy for a comment to be taken out of context.

Is it just a matter of them receiving training to stop these mistakes from occurring? If not, what else needs to be done?

MS. WILKINSON: They really need to have training in how Twitter works, understand how people are organizing and mobilizing on social media. They need to understand how online petitions can be initiated by a site like change.org and implemented in a widespread way on social media. They need to understand the tools so they can know how best to respond.

For example, Korean Air had a long delay before they really responded in an appropriate way [to the nut rage incident]. They were completely caught off guard. They didn't have video capacity so the CEO could make an immediate statement that could be tweeted out to show his apology. CEOs can benefit by understanding video, it's probably the most important crisis management tool available. They or an empathetic senior leader can instantly respond to issues that arise, can shoot a video that acknowledges the issue, that apologizes or makes clear they are taking steps. Then they can publish it on Facebook, they can tweet it out, and that gives them much more control.

What are some best practices executives and organizations can take to make it less likely they will fall victim to reputation slip-ups?

MS. WILKINSON: There are two. The first is to look at the company's internal culture. A lot of negativity comes from employees so it's a good time to look inside at the opportunities employees have, and to look at diversity and inclusion, particularly providing women with opportunities. This is really the hot seat CEOs face now. Probably two of every three social media backlashes against a CEO have been initiated by women. This is going to be an issue for every company—employees, consumers are looking at how equitable companies are at providing opportunities for women, minorities, the LGBT group.

Do top executives learn from the mistakes others make, or does it have to happen to them, or their organization, for it to take hold and enact change?

MS. WILKINSON: They appear to be learning a lot from watching others. Tim Armstrong at AOL is a good example. In one incident, he encountered a lot of disapproval on social media when [in 2013] he fired an employee in front of a lot of other employees. He apologized. About a year later, he made a statement that was very well-intentioned but it wasn't interpreted that way by some female employees, who launched a social media protest refuting what he had said. The way he handled that is a textbook best practices response. He responded immediately, acknowledged what he said might seem inappropriate and apologized. He then called the employee in question and apologized. People are learning from examples like that; everyone is being educated on this issue.