

Issues Watch

In the previous Issues Watch, we noticed that the mass media coverage of the financial crisis had provided a light breather on other public policy and reputation issues. The Issues Tracker shows that the volume of reporting on the credit crunch and recession was almost on par with climate change during the middle of last year, before the collapse of several of the world's financial institutions changed news reporting markedly. However, the graph indicates that a plateau is being reached and so this window to take stock won't be open for long, as other issues begin to reassert themselves on to the global media agenda.

Looking more closely at coverage of the reputation issues related to the economy, we can see that the recession and redundancies are dominating coverage across the world. In North America, media language is graduating from 'credit crunch' to 'recession' as key businesses continue to under-perform.

In Europe, nationalisation, accompanied by the desire to keep jobs and capital at home, has re-emerged as a force to be reckoned with. The same is true of media coverage in the Middle East, as many Gulf countries are experiencing mass redundancies for the first time in their history. Indeed, the United Arab Emirates is in the process of drafting legislation that

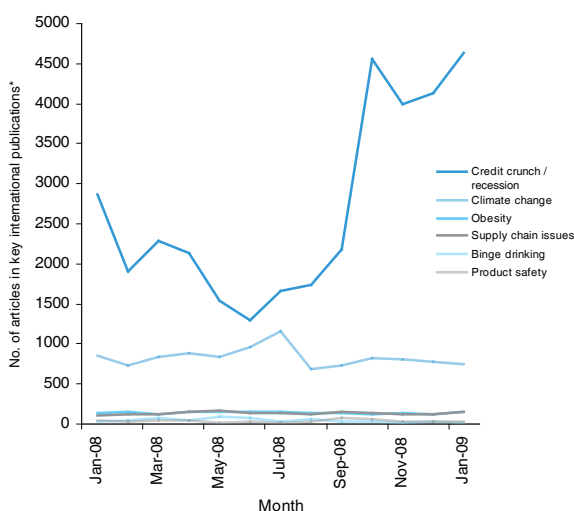
would make it illegal for a private company to make an Emirati redundant as a result of the downturn.

Economy Watch also shows that coverage of bonuses and the portrayal of 'fat cats' in the Middle East is not as developed as in North America, Europe or Asia Pacific. As the export-driven model of China and several other Asian economies begins to falter, we are likely to see closer media scrutiny of companies operating in the region. We have seen this in China with the case of Sanlu Group, the dairy company at the centre of the recent melamine contamination.

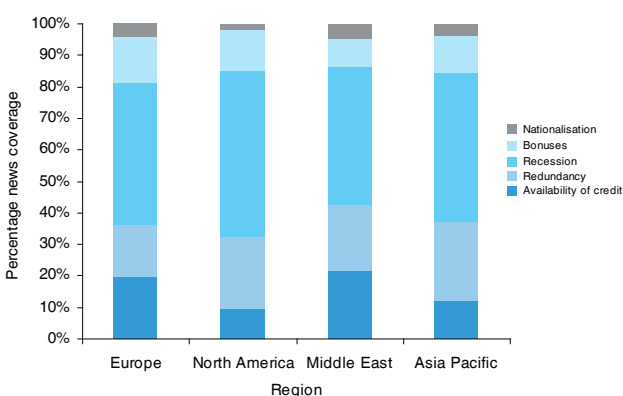
RL analyst, Jonathan Howie, says: "Organisations, particularly in the private sector, are increasingly having to manage bad news, whether it be poor financial performance, entrenchment or bonus cuts. All the issues that come with retracting economies require measured communication with investors, employees and other key stakeholders."

And with the media turning their attention to corporate leaders - questioning their competency and even attacking their integrity - there is a need, now more than ever, for effective leadership during reputation challenges."

Issues Tracker 2008



Economy Watch (Nov 2008 to Feb 2009)



* Europe: The Economist; The Times; Wall Street Journal Europe
North America: USA Today; Wall Street Journal; The Globe and Mail
Middle East: Gulf News; Arabian Business; Al Hayat
Asia Pacific: South China Morning Post; Asia Wall Street Journal; Straits Times

* International Herald Tribune; BBC Online; CNBC; Bloomberg; The Economist; The Times; Wall Street Journal Europe; USA Today; Wall Street Journal; The Globe and Mail; The Star; Times of India; Gulf News; Arabian Business; Al Hayat; South China Morning Post; Asia Wall Street Journal; Straits Times; The Australian.



Regester
Larkin

I wish I hadn't done that

... Timing isn't everything in reputation management, but it is rather important. The Dubai real estate developer Nakheel will likely be reviewing its decision to split the bill of a \$20 million party to celebrate the opening of the opulent Atlantis Hotel in Dubai. While the party itself was by no means regrettable - Kylie Minogue and other celebrities were out in force - the decision to lay off 500 employees soon after was.

... The voice of the captain piloting a plane is invariably friendly, helpful and when required to be, reassuring. But passengers on a UK airline, Flybe, flight from Cardiff to Paris were taken aback when their captain reportedly told them he was not qualified to land their plane in the fog blanketing Charles de Gaulle airport. Whatever the pilot's exact words, passengers perceived his comments as calling into question his own skill. The issue was in fact not one of competency, but of regulation. Flybe rightly backed the decision '100 per cent', but good operational decisions should always be accompanied by good communication.

... Knife crime remains an emotive and sensitive political issue in the UK after a particularly tragic series of deaths in the middle of last year. It was an unfortunate misjudgement then when two police forces posted kitchen knives on a police auction website. While intentions were no doubt good - police auctions give money raised to worthy causes - the decision prompted questions about the judgement of Devon and Cornwall Police and Thames Valley Police. Employees of an organisation are brand ambassadors and this episode shows that reputation is something that should be owned throughout the entirety of an organisation.

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