

Human Resource Executive Online

Dealing with Controversy

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Appeared On August 24, 2010

Over the past few weeks it seems as if every business columnist and Internet blogger has weighed in with his or her take on the unceremonious resignation of Hewlett Packard CEO Mark Hurd.

HP stunned the business community earlier this month when it announced that its hugely successful top executive was resigning for falsifying \$20,000 on his expense account, amid allegations of sexual harassment. Some pundits and corporate leaders have questioned HP's decision to force Hurd's resignation over an expense-account issue.

Others, however, have applauded the company's courage for putting principle and policy ahead of power and profits. The HP board didn't just treat its CEO like another employee, it held him to an even higher standard of accountability.

"As soon as they resolved it, they [the board] were prompt, clear and factual," says Stephen M. Paskoff, founder, president and CEO of the Atlanta training firm ELI. The board said, "Integrity is here and we are willing to take a financial hit and lose a talented person to stand for our principles. Human resources must have had a role in arguing that and they must have argued it forcefully."

Human resource professionals have always played a crucial, if often unheralded, role in helping companies survive crises.

In any company emergency, human resource leaders should, by definition, be intimately involved. No one knows the ins and outs of the business quite like HR. His or her influence and knowledge spans the breadth of the company, from the board room to the production floor.

Consequently, HR leaders are best equipped to help craft solutions and dispense information.

And one thing employees crave during a crisis is information. Workers want guidance and leadership from their managers and executives during difficult times. They need to know what is happening, why it is happening and how it will affect them.

HR's job is to use its resources to give employees as much unvarnished information as possible.

"My personal opinion is that it is better to get out in front of" the news, says Sarah Wimberly, a partner and employee attorney at

Ford and Harrison in Atlanta. "You can't hide from it and the longer you delay sends the wrong message or allows employees to come to their own conclusions."

Ideally, information should start flowing to employees before the rest of the world learns about the forthcoming company changes. At the very least, employees should be notified simultaneously with the public announcement.

The last thing upper management wants is for employees to discover via a Tweet or outside source that their CEO has been canned. And in today's uber-connected world, that's all but sure to happen.

"News travels with the speed of electrons," says Davia Temin, president and CEO of Temin and Co. in New York.

"Unfortunately, the window for error has closed, amazingly so. You have to say the right thing immediately. You have to do the right thing, and do it immediately."

For HR, doing the right thing means treating employees like adults. People know when someone has done something wrong, says David Lewis. So don't insult them by stating the obvious or trying to sugarcoat the situation. Address the issue head on.

"Employees aren't idiots," says Lewis, president of Operations Inc., an human resources outsourcing and consulting firm in Stamford, Conn. "It's fine to say something like, 'I'm not really sure what to say. It hurts and I am sure you are hurt by it and stunned by it.'"

How information is disseminated will largely depend on the size of the company. For instance, a small company may choose to inform its employees at department meetings. Encourage questions by placing a box in which employees can submit written questions anonymously. Smaller meetings also allow the presenter to gauge how well the information is being received.

"Pay attention to the faces and eyes of the people," Lewis says. "You have screwed up if you see heads shaking side to side or eyes rolling."

A large company like HP, with multiple sites around the world, will likely turn to technology to issue its message. But whether the information is discussed face-to-face or distributed via e-mail,

intranet or through a webcast, the goal is to make sure every employee has access to the news and has read it.

To make sure your message is accepted by employees, it must ring true and authentic. Wimberly suggests saying something like, "We have policies and we stand behind them and expect people to comply with them. We don't tolerate it [the behavior] and that is true for the top officer of the company down to the entry-level positions."

For all your efforts, gossip will still spread like ivy up a trellis. It's human nature, so don't waste time trying to stifle it. The best way to counter whispering down the lane is to establish HR as *the* official source of news. Be consistent, transparent and authoritative. Of course, that means don't spin even the smallest detail. It only takes one dissonant note to destroy trust and credibility.

"You will get people comparing notes and any inconsistencies will make it all for naught," Lewis says.

Meetings are also a good time to remind employees about company policies covering social media including, e-mail, instant messages, Twitter or Facebook. Make the company's position clear that disparaging remarks or comments about individuals or

the business, or revealing confidential information could lead to dismissal.

As the meeting, webcast or e-mail winds down, encourage people to feel free to follow up privately with any questions, comments or concerns. Temin says employees should also be urged at the conclusion to refocus on their jobs as upper management works to resolve the issue.

For possible wording, she suggests: "We ask you for your 110-percent effort to keep us on track on the high road and our clients at the top of our mind, no matter what, throughout this somewhat challenging time."

Even with all of HR's efforts, coming through a crisis such as losing a dynamic CEO will take time and patience. Whether or not there is a real reason to, employees will be wary waiting for the other shoe to fall.

"In short, it takes time if you do it right," Lewis says. "Keep communication going and try not to get worked up over external information coming in. You have to expect that this is an event that is something like a tragedy, like a death, and you need time to heal. Don't expect to push through this overnight."

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