

Corporate affairs – the good, the bad and when it turns ugly

Corporate affairs teams can be either the bridge or the barrier between a journalist and a good story. Inside Story recently asked journalists to share some of their experiences with corporate relations teams; the great experiences, the bad and what happens when journalists feel they are treated unfairly.

What are the good experiences?

Journalists are happy to relay their positive encounters with corporate affairs, with a number of companies named frequently as being good performers.

Many find the best relationships are those that have been built up based on mutual trust and where both the journalist and company representative are able to talk frankly about a situation.

The stronger teams are seen to:

- Be approachable – feel able to ask anything
- Be responsive – recognise deadlines and requirements – respond to calls and queries in a timely manner
- Providing clear and concise media releases
- Clearly identify who deals with which topic – particularly important in larger companies with bigger departments
- Always have someone available to take calls
- Be open in a crisis

One good example is Macquarie Bank:

At a glance summary

- Many organisations are praised for their corporate affairs
- Journalists appreciate open and honest teams
- Overtly lying, being obstructive without explaining why, and favouring particular media are all negatively viewed
- Punishment for bad treatment includes deeper investigations into anomalies, avoidance of positive stories

"Macquarie Bank's share price plummeted a few years ago and journalists could have punished them hugely in the press. But as a company they did the right thing by opening up the communication channels, didn't close down the shutters, they kept talking and provided information to journalists, had a very open media strategy. Had they put up a defensive, closeted approach they would have been punished with the press displaying a lack of confidence in their business model and so on."

Team trusted to deal with media

Some companies are mentioned as being consistently good at dealing with the media.

One such media team is ANZ Bank, where the key contact is praised for being able to deal directly with queries in a timely manner:

"One of the best things about dealing with ANZ Bank is that he's in the loop. The CEO trusts and respects him, the CEO imparts information to him...and it means (the key contact) is able to answer most queries authoritatively without simply being a kind of a messenger."

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Many journalists don't believe this happens often. As a general rule it is thought media relations teams are only useful for the cursory information – things that are black or white – yes or no, facts and figures rather than a story or background.

Bad media relations

Journalists are tough critics when it comes to media relations and have high expectations of corporate relations teams. There are certain behaviours which are particularly deplored. These include:

- Not sharing information with journalists at all – eg only sharing profit forecasts with analysts
- Discrimination against particular publications or media (eg wire services) – feel being excluded from stories:
"It leaves a sour taste in my mouth when some news organisations are favoured over others in terms of access to CEOs ...the big newspapers, perhaps the Financial Review, seems to me get better access."
- Complicated media relations structure – usually in bigger companies – where unsure of who to contact – causes unnecessary delays in responses and missed deadlines
- Deliberately putting spin on a story
- Not responding in good time to meet deadlines – smaller companies are believed to be the main culprits in this behaviour but some larger companies are also named:

"...you're always waiting for someone to call you back, they don't necessarily get back to you, when you request information it takes longer than you would really expect, sometimes you need to call them more than once just to remind them..."

- Attempting to use the media for free advertising, public relations and promotions
- Making inconsistent communications

Journalists tend to have long memories of occasions where they are not allowed access to key people and may hold grudges for many years.

In spite of being a media company, PBL stands out for many journalists as being one of the more difficult companies to deal with. In particular finding it:

- Difficult to get access to senior executives
- Hard to gain insight as to what's happening in the company

Impact on reputation

It is generally accepted that corporate relations teams are there to minimise bad news and be custodians of the company's reputation. Journalists have no doubt that the way media queries are handled impact a company's reputation as a whole.

While well managed corporate affairs can build respect, a poorly managed team impacts perceptions across the business, including:

- Market presence – the visibility in the press – both good and bad
- Perception of overall management capability:

"...if you've got a bad media relations department, I mean if you can't get that right, I don't know if you can get the other things right as well."

- A disliked company:

"Certainly affects the reputation – people don't like the company for starters, are wary of them, and see through any spin."

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→ Suspicions that the company is hiding something:

"...if someone is hard to contact or not returning calls, then certainly it makes you wonder why and makes you suspicious that it could be a story that they don't want out. As a result, it makes you even keener to pursue them or get the information from another source..."

Bad behaviour in action

A major Australian financial institution is criticised by journalists for its management of media relations over the past few years. It is thought that recent management changes are slowly improving things, but traditionally it has not dealt with crisis well.

It is criticised for:

- Being defensive
- Not allowing access to senior executives

As a result, it is thought that both journalists and analysts had a more negative view of the company than was perhaps deserved:

"I think...was a classic example...where their media relations people, and I know from speaking with investors and analysts, that their investor relations people as well, got people offside which led to broader negative perceptions about the bank as a whole."

The Ugly – 'Hell hath no fury....'

The Australian Journalists Association Code of Ethics states that all journalists should:

Report and **interpret honestly**, striving for **accuracy, fairness, and disclosure** of all essential facts. **Do not suppress relevant available facts**, or give **distorting emphasis**

Journalists do admit, however, that bad experiences with media relations teams can result in a slightly more distorted view of a story:

"Oh, kind of being very selective in facts that are used in stories, highlighting the negative, and ignoring the positive. Not of course that I would ever do that."

"...it may be that when I'm pissed off with individuals that that kind of does bear out in my copy, I don't know, but certainly I know it goes on."

Naturally, no journalist admitted to doing this themselves, all examples are based on hearsay.

"Personally no, but I'm sure it would motivate other people – if they're having a hard time with a particular company, that might motivate them to work harder to dig up a story that might embarrass that company."

'Punishing' behaviours from journalists might include:

- Avoiding any positive coverage of the company:

"I think journos in general probably want to get info as easily as possible, and if they can't, well they won't, whether it's consciously or not, they probably won't be all that positive towards them."

INSIDE REPUTATION BULLETIN



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→ Deliberately ignoring companies when they seek media coverage:

"...it's easier to 'forget' about them – overlook them..."

→ Making more of a point of investigating 'irregularities' – trying to dig up the negative news stories:

"You hear journos from time to time saying that they have 'stuck it' to a certain company or a secretary...they wait for an opportunity or they will make a point of going out and investigating the company to see if there are any irregularities in which they can expose whereas they might not have done that."

→ Ensuring the story reflects the uncooperative nature of the media team:

"...if a company refuses to be accountable, you will strongly report that they are refusing to be accountable – if you sense the truth is being brushed under the carpet."

Journalists suggest honesty is the best policy – even if a comment cannot be made to the media, let journalists know politely rather than being defensive and evoking a negative response:

"It's easy to say; 'We'll talk when we have the facts straight ourselves.'"



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About the Inside Story

The Inside Story has been a key player in the Australian research environment for more than 25 years. With a reputation for being innovative and at the forefront of insight techniques we launched our first Inside Reputation research study with journalists in November 1999. Since then we have conducted more than 30 studies with Australia's senior business media.

In addition, we have spoken to many other stakeholder groups for our clients, including government, business influencers, financial analysts, key bloggers and of course the general public.

If you are interested in hearing more about our studies, would like to brief us on your research needs or just want a chat, please get in touch!

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