By Dr Tony Jaques

ISSUE MANAGEMENT: CHANGING RISKS, CHANGING EXPECTATIONS

The rise of social media has created untold new tools and channels for all public relations practitioners.

But in the field of issue management it is having a dramatic impact not just on the day-to-day practice of the discipline, but is changing forever an organisation's stakeholder relationships and the expectations of its stakeholders.

The growing expectation gap

Since Issue Management first developed, there have been various different approaches to defining what an issue is. One of the earlier ideas was the so-called Expectation Gap Theme. This very simple approach basically says that an issue arises when there is a gap between the actions of an organisation and the expectations of its stakeholders.

The expectation gap concept lost some popularity because it is very passive and lacks the proactivity that issue management should display. Now the rise of the social media is reviving interest, not because this approach changes the way we think about issues themselves, but because social media have changed the community's expectation of what is acceptable corporate behaviour, as well as increasing the community's capacity to communicate those expectations.

The rise of social media is commonly described as creating a more level playing field between those with power and those affected by exercise of power. However a less recognised impact of social media is the way in which community expectation is changing, which has significant implications for the future of issue management.

My online newsletter, Managing Outcomes, and my issue management-themed blog often discuss how organisations have paid a high price for failing to acknowledge this new reality. Two recent cases demonstrate the obvious increasing speed and globalisation of issues and, in addition, highlight the evolving

gap between organisation action and community expectation.

Hyatt Hotels fiasco

When three Hyatt Hotels in the Boston area decided to lay off almost 100 housekeeping staff and replace them with lower cost, out-sourced employees, the Boston Globe alleged that the housekeepers had been tricked into training their replacements by describing them as temporary vacation staff.

Hyatt promptly issued a firm statement denying any trickery, adding that it was helping the housekeepers find work in Hyatt and other local hotels and that they had been provided with transition assistance and full severance benefits.

However the damage was done and through late 2009 the story became an internet and media sensation, focusing mainly on community expectation of how a luxury hotel chain should treat its lowest paid workers. There were calls for a boycott of Hyatt, a public protest in the city of Boston and politicians urged Hyatt to reconsider.

More importantly for a global brand, the story spread around the world through mainstream international news sources and hundreds of blogs and social media sites. Even the normally staid Harvard Business Review blog offered the headline: "Lessons from Hyatt: Simple ways to damage your brand." As HBR

concluded: "There's at least a small lesson here: think about the way your actions will be perceived by all your stakeholders before you take them."

Gap's new logo

Another view of new stakeholder expectations arose in late 2010 when The Gap clothing chain announced a change to its long-time logo, triggering a firestorm of protest around the world. In the face of widespread opposition, the company promptly said it would 'crowd source' a new logo, then within days jettisoned that plan and reverted to the original logo.

Although history is littered with brand fiascos – think New Coke and Vegemite iSnack 2.0 – the Gap logo backflip helped popularise an emerging stakeholder concept: that brands 'belong' to consumers and not manufacturers. Promoting this trend, influential bloggers argued that Gap had no 'right' to change the logo without consumer consultation and support.

Where to for issue management?

Some commentators have argued that Gap management grossly over-reacted to online criticism from a small but very vocal minority, while others claim the entire episode was a marketing stunt.

While the truth about this case may continue to be debated, the detail here is less important than the fact

that for Hyatt and Gap – and for many others – stakeholders now have different expectations about how organisations should behave and about their own role in how issues are managed.

Working from the platform provided by the social media, stakeholders are reconfiguring the traditional 'expectation gap' and issue managers cannot afford to ignore that change.

Dr Tony Jaques consults to corporate and government clients on issue and crisis management and risk communication through his company, Issue Outcomes Pty Ltd. He has been widely published in academic and non-academic journals around the world and writes Managing Outcomes, Australia's only specialist online issue and crisis management newsletter. He can be networked with at his issue management blog and Linkedin profile.

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