Ketchum

Point of View



Big Changes Are Coming from the Oval Office. What Does It Mean for Your Organization?

Navigating reputation and communications during President Biden's first 100 days

Now that President Biden has taken office, all eyes are on his administration, tracking the sweeping changes he promised during his campaign and since the formation of his transition office. On the agenda: the ongoing global pandemic, climate issues, systemic racism and social injustice, and overshadowing it all, the need to unify a severely divided populace. Against this challenging backdrop, company leaders find themselves under the spotlight from employees, customers and other stakeholders to chart and communicate a path forward for 2021.

Based on the work Ketchum is doing with many leading organizations and brands, here are the key issues and our considerations for these first 100 days.

A Call for Unity

Perhaps the biggest challenge facing President Biden is bringing the country back together after a highly contentious election cycle. While the country will be watching for

those signals of unity from the new administration, corporations will have to navigate potential political divides among their employees. While it may not be an employer's role to drive unity for the nation, it is their role to drive their company's values. What's more, employees now expect their employers to take a stance on social issues. What role should your organization take in communicating with employees about the political divide? How can your organization promote civility among employees when it comes to hot-button issues?

Companies should develop a set of criteria that helps them determine which issues they want to take a stance on, so they are ready to act quickly when the need arises. The criteria should be based on alignment with the company's values, the company's credibility to speak on the topic and the importance of the topic to their employees.

Embracing and promoting a diverse and inclusive workplace is also key, and it requires courageous conversations with your people. Now is the time to audit your organization's ability to create safe spaces to meet your employees' needs and take action where you see gaps. When communicating with employees, Ketchum recommends starting by looking inward, identifying well-respected team members who can serve as influencers to build a program internally. They can help spread the word and build employee confidence about important topics like vaccination and mask wearing. Additionally, a renewed focus on unconscious bias training for employees can help pave the way for respectful, inclusive conversations and discussions.

COVID-19 Response Reset

President Biden has promised swift action to change course in the fight against the pandemic, including federally run mass vaccination sites, rejoining the World Health Organization, and a mask mandate, along with increased OSHA oversight. Organizations must be prepared to communicate to employees about these measures, including how employees can be vaccinated and what may or may not affect their ability to return to the workplace.

As discussed in <u>our COVID-19 vaccine POV</u>, a stakeholder analysis can help define the best set of policies to oversee vaccinations for employees. If vaccination efforts ramp up as planned, as people begin returning to offices, organizations should proactively communicate about return-to-work safety guidelines and advertise the precautionary measures they're taking to make offices safe. They should also continue promoting pandemic precautions, such as mask wearing and social distancing, as needed.

Vaccination isn't the only issue your people are watching anxiously. They're also following changes in school policies, adjusting to renewed local shutdowns, and trying to figure out when they can make plans again. This first 100 days can be a time to make sure you're treating employees as your No. 1 stakeholder.

Congress will also likely begin investigations this year into the perceived failure to manage the pandemic by the previous administration, which could carry reputational risks for some businesses. Companies may find themselves caught in the middle of a long postmortem of what went right and wrong in 2020 and even called upon to testify. Organizations should consider a "self-check," looking back over the last year to pinpoint

any issues they should address as part of their reputation management communications plan and scenario planning, including thought leadership opportunities on lessons learned since spring 2020.

Labor Rights and the Voice of the Employee

President Biden has vowed to assert himself as the most pro-union president, as he takes office amid a backdrop of an accelerating wealth gap and calls for a referendum on front-line worker pay and benefits in the wake of the pandemic. Employers have distributed several new benefits necessitated by the pandemic, including work-from-home policies, flexible hours and increased health coverage, to name a few. Many organizations will need to recalibrate this benefit mix for 2021 and beyond. Which ones will continue? Which ones will your organization pull back? Carefully consider the rollout of these policy changes and how to message the shift.

Government analysts also expect President Biden to increase inspections and enforcement by OSHA. Companies, especially in manufacturing, can expect increased needs to communicate their actions as those relate to protecting employees from COVID-19 and broader workplace safety issues.

Beyond policy news, 2021 is shaping up to be the year of the employee activist, likely emboldened with an increased call for unionization. Organizations have always had to walk a fine line between free speech and perceived censorship, while upholding their company values and culture.

How will your organization react to employee activism? Now is the right time to create or update your scenario plans and perform a risk assessment to find any vulnerabilities before there's a real issue. It's also a good idea to review and refresh social media guidelines for employees or develop them if needed, as well as fine-tune your approach for two-way employee communications, particularly with frontline employees.

Diversity Equity & Inclusion Plus Social Justice

The social justice and racial equity agenda from 2020 will continue in full force, finding much more public backing from the new administration as it works to set itself up as a model for diversity, equity and inclusion. On Inauguration Day The Biden administration announced two executive orders, one reversing Donald Trump's ban on race and gender diversity training and the other, disbanding the 1776 Commission – which effectively sought to erase America's history of racial injustice.

Relatedly, expect 2021 to be the 'Year of Receipts,' as companies that communicated a stand on these issues in 2020 will have to follow through with proof in 2021 and beyond – keeping in mind that their employees may be their harshest critics.

That means moving from messaging to true action around important topics.

Communications planning should include key milestones that start with Black History Month in February and that should be particularly mindful of how companies show up

around events like the one-year anniversary of the murder of George Floyd at the hands of police.

Lastly, with COVID disproportionately impacting Black and Brown communities across the country, organizations will need continued mindfulness and empathy surrounding the impact the pandemic is having on these communities, especially if the employee base includes frontline workers. These concerns must be balanced with issues surrounding employee access to the vaccine, and the need for additional education surrounding efficacy and safety as it rolls out.

A Renewed Focus on Climate Change

The new administration has wasted no time in moving forward with its ambitious environmental policy and climate agenda. Within hours of the inauguration, President Biden recommitted to joining the Paris climate agreement, rescinded the construction permit for the Keystone XL oil pipeline and ordered federal agencies to begin reinstating environmental regulations. A staffing overhaul is already underway at the EPA, and as such, it is critical to keep an eye on who the administration appoints to senior-level positions, as this will reveal longer-term intents of the administration.

For example, it was announced that Janet Yellen will appoint Didem Nisanci as her Chief of Staff of the Treasury, who hails from Bloomberg and leads a major ESG reporting framework, TCFD. While eyes have been on the cabinet member appointments, senior staffers will hold relationships that will undoubtedly influence their departments.

In the immediate, organizations should prepare for a renewed focus from the administration in key environmental areas such as climate change, energy and emissions, water and resource management, natural conservation and waste reduction. Assessing your current position with a benchmark analysis against industry leaders known for sustainability is a good place to start, along with reviewing your reporting standards and stakeholder initiatives. Revisit and reconnect with environmental NGO partners if you've fallen out of touch. It's also time to pull out your sustainability messaging and take stock of the tone used and issues addressed.

Overall Issues Preparedness

The confluence of events from the pandemic to political violence has rendered traditional issues planning at best incomplete, and for some, inadequate. The need for agility has never been more important for companies working to protect their reputations in the current environment and this is especially true in the months that follow the inauguration.

How should you prepare? Refresh your current scenario planning / issues preparedness plan to reflect today's setting, while staying true to your corporate values, purpose and mission. Pressure test your agile response process. Make sure your team has a communications cadence and approvals process in place to allow for real-time response. Additionally, your communications and government affairs teams may need to work more closely than they ever have before to manage reputational risk. It's also key to look at your executive communications strategy, crafting an internal and public narrative for your CEO

and other senior leaders, as well as defining guardrails for when to respond and engage in conversations around specific topics. A strategic review of these issues and topics is critical as stakeholder expectations continue to evolve and change about the role of companies on issues outside of their core business, an <u>issue Ketchum has discussed</u> previously.

Political Contributions

In the current polarized political climate, many corporations are reassessing how their money converges with politics. Now is the time to do a thorough review of your organization's Political Action Committee (PAC) and other political contribution policies, as donation information will come under increased scrutiny — from the outside and employees alike.

Communicating this time of reflection thoughtfully to stakeholders is key. Consider, as many companies have, announcing a pause on political contributions while your organization reviews political donation guidelines on how you will – or will not – engage going forward. But don't leave your internal audience out. It is likely that few employees questioned whether their company makes PAC donations until this issue became part of the news cycle after January 6. Communicating your company's current status and position on this issue to employees can help educate and may even elicit input on future PAC donations.

Summary

Now that President Biden has officially taken office, individuals and organizations should brace themselves for continued change in these first 100 days. Never has the role of communication been so important. Both internal and external communications professionals will be at the forefront of helping their organization navigate constant change, while protecting their reputation and educating and reassuring their stakeholders.

Ketchum can help you anticipate and plan for the issues outlined above. For assistance, contact your client director or any of the leaders listed on the next page.

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