

# Restoring employee morale after a reputational crisis

South African companies implicated in the Guptagate scandal find themselves facing a bleak future. With their reputations in tatters, they risk losing the vital human resources they will need to recover, and one of their most pressing challenges is to restore employee morale and engagement.



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“People do not go to work just to earn money,” says Morag Phillips, Director of 21st Century and Exco member of the South African Rewards Association (SARA), a professional body focused on promoting transparent, fair, and responsible pay practices.

“Their deeper motivations derive from the impact their work has on their feelings of self-worth and their desire to be part of something that makes a positive impact on the world – this is what drives employee engagement and energy, and builds successful companies.”

“During times of crisis, employees begin to worry about the organisation’s continued existence, their own reputation due to association risk and, of course, become targets for competitors on the lookout for talent.”

Phillips advises that companies finding themselves in this situation have to undertake a rigorous process of restoring the internal organisational culture in tandem with efforts to repair the corporate brand externally. If there is a lack of internal focus – displayed through staff dialogues, support programmes, and evidence of continued job security – they might find themselves in the short to medium terms without their most important intellectual capital.

## Start with understanding the true culture

Chances are that a crisis such as Guptagate would deepen any cracks that might exist in the corporate culture. It is therefore critical that corporate leaders should begin the process of consolidation and healing first by analysing the status quo honestly. That means, she says, looking behind the façade to see what employees are genuinely feeling.

“Corporate culture is driven and influenced by the leaders in an organisation, and management must play a guiding role in making it a day to day reality,” she says. “They need to find out what employees love about what they are doing, and build from there.”

Companies should undertake an active process to get input from employees about what motivates them about their jobs and what they do, along with what they love – or loved – about the organisation. If employees are involved in the process of defining the current culture, they will sign up more readily to keeping it healthy.

“We often ask ‘what are our shared values’, but a better way to frame this question might be ‘what do you want your every day to feel like’,” says Phillips.

## **Involve more than appointed leaders**

Another important action point is to identify those individuals who are influencers within the company, and make them part of the process.

“Management needs to listen to and understand what employees are thinking and saying around the proverbial water cooler, and get influencers on board to change conversations that do not fit the desired ‘flavour’ of the company.”

## **View company culture as strategic imperative**

Phillips believes that the campaign to regenerate the corporate culture should at all times be seen as a business imperative driven from the top, not a reactive feel-good campaign run by HR.

“It’s all baby steps,” says Phillips. “Generate a little bit more positivity, and it could turn into renewed confidence, which could turn into a few more deals, a few more months of employment. These small steps then turn into a whole new chapter that grows into a whole new story.”

“The mistake that prompted the crisis has to be seen by everybody as an event that occurred, and not necessarily a signifier of the company’s culture,” she concludes. “That can only be done by understanding what the culture actually is, and how it needs to change if the same mistake is not to be made again.”