

Fox News Followed The Money In Firing O'Reilly – And Failed Crisis Communications Test



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The axe that hovered for weeks finally fell as 21st Century Fox announced that Bill O'Reilly would not be returning to Fox News Channel, the cable news outlet O'Reilly helped build, in the wake of a string of explosive sexual harassment claims, broken by the New York Times.

Here's what didn't happen:

Fox didn't apologize or even attempt to distance itself from O'Reilly. Indeed, an internal memo sent to Fox News Channel employees called O'Reilly "one of the most accomplished TV personalities in the history of cable news." The memo added: "In fact, his success by any measure is indisputable."

O'Reilly didn't apologize. "It is tremendously disheartening that we part ways due to completely unfounded claims." He called Fox "the dominant news network in television" adding "I wish only the best for Fox News Channel."

As divorces go, this wasn't amiable. This was a love-in.

So, what happened? Economics happened.

An April 1 article by the New York Times broke the news that Fox and O'Reilly had reached settlements totaling about \$13 million with five women who complained about sexual harassment and other inappropriate behavior by O'Reilly.

The \$13 million apparently was chump change. Fox made no move on O'Reilly as those claims and settlements played out.

But then as the Times reported, since that initial April 1 story "more than 50 advertisers had abandoned his show, and women's rights groups had called for him to be fired. Inside the company, women expressed outrage and questioned whether top executives were serious about maintaining a culture based on 'trust and respect,' as they had promised last summer when another sexual harassment scandal led to the ouster of Roger E. Ailes as chairman of Fox News."

The Washington Post's Paul Farhi further pointed out that beyond the advertising boycotts, the "O'Reilly controversy has been casting a shadow over 21st Century's \$14 billion bid to win the British government's approval to buy Sky TV, the British satellite service. Leaving O'Reilly in place would likely have been a public-relations nightmare for James and Lachlan Murdoch, the sons who head 21st Century Fox, Fox News's parent."

So, as they said in "The Godfather," it wasn't personal. It was business.

And 21st Century Fox won't be the last company to finally and reluctantly "do the right thing" that people are calling for because business dictates it. But let's consider how Fox ignored some basic precepts of effective crisis communications and crisis management – and how Fox might still pay for that:

Don't deny the obvious. Fox cut ties with O'Reilly only because of the business pressures. And we all know it – or

they would have cut the cord with him long ago. Fox ignored that fact in its short public statement.

Tell the truth. And tell it all. See the above.

Worry most about your key stakeholders. In this case, I would argue, it's the employees who continue to work at Fox News. They want to do a good job. And they want to be proud of their employer. Every employee does. Think they're concerned about the atmosphere in their workplace? And how do you think they felt when they got an internal memo heaping praise on O'Reilly?

Plus, Fox News is just that – a news business. A business employing a lot of people who should be dedicated to ferreting out the truth and digging for the whole story. That business should have an even higher standard of fessing up after messing up.

What's the immediate damage? Very little, if any. O'Reilly can get another job on cable news if he wants one. Suitors already are lining up, as CNN Money is reporting. O'Reilly's book publisher, Henry Holt, said almost immediately that "our plans have not changed." As Reuters reported, shares of 21st Century Fox ended Wednesday's trading on the Nasdaq down less than 1 percent. Analysts say the network's viewers would likely remain loyal.

Brian Wieser, an analyst at Pivotal Research, told Reuters, in regard to the loss of "The O'Reilly Factor": "They could literally go dark during the time his program airs and they would still be profitable."

But this story is not over. Organizations can mishandle crisis communications and crisis management and bear no short-term penalty. Think again, though, about those employees and what Fox News now symbolizes as a workplace.

And think about how businesses and organizations, like fish, rot from the inside.

About the Author: Thom Fladung is vice president of Hennes Communications, one of the few firms in the U.S. focused exclusively on crisis management and communications. Fladung's a 33-year news veteran, including serving as managing editor of the Detroit Free Press, The Plain Dealer in Cleveland, the Akron Beacon Journal and St. Paul Pioneer-Press.