

SPORT GOVERNANCE WEBINAR SERIES

LA GOUVERNANCE DU SPORT SÉRIE DE WEBINAIRES

LEADERSHIP IN THE EYE OF THE STORM

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SIRC
Sport Research
Intelligence sportive





Marg McGregor

Marg McGregor has a Masters of Management degree from McGill University where she focused her studies on crisis management. Over the course of her career, Marg has worked in leadership positions across the sport industry, serving on a number of Boards and Advisory Committees including Commonwealth Games Canada, the Canadian Paralympic Committee, and the Sport Dispute Resolution Centre of Canada. Marg is a recipient of Canada's Top 40 Under 40 Award.

Leadership in the eye of the storm

Crisis Management in Sport

MARG MCGREGOR

TUESDAY, MARCH 25, 2014
11:00 AM - 12:00 PM EDT



What we will talk about today

- Examples from the sport sector
- What is a Crisis - Stages of a crisis
- Leadership: steering an organization through the eye of the storm.
- The good, the bad and the ugly.

Examples from the sport sector:



[Home](#) • [FINANCIAL POST](#) • [NEWS](#) • [COMMENT](#) • [PERSONAL FINANCE](#) • [INVESTING](#) • [TECH](#) • [SPORTS](#) • [ARTS](#) • [LIFE](#) • [HEALTH](#) •

[NEWS](#) [CANADA](#) [POLITICS](#)

CANADA

Pan Am 2015 CEO making \$477,000 expenses 91-cents for parking spot, Rob Ford says people are 'livid'

Examples from the sport sector:

Pickering minor hockey loses \$725,000 to treasurer 'with gambling bug'

A judge orders former treasurer to repay \$725,000 he admitted embezzling to feed gambling habit.

Examples from the sport sector:

Gang sex assault probe: Ottawa U men's hockey suspended

BY [DOUG HEMPSTEAD](#), OTTAWA SUN

FIRST POSTED: MONDAY, MARCH 03, 2014 12:47 PM EST

Some University Of Ottawa Hockey Players Uncooperative In Sex Assault Probe, Police Say

CP | By The Canadian Press

Posted: 03/20/2014 5:35 pm EDT | Updated: 03/20/2014 6:59 pm EDT

Examples from the sport sector:

Waterloo suspends football for steroid scandal

Ontario university officials halt program 1 year after 9 potential infractions

By Dan Robson , [CBC Sports](#) | Posted: Jun 14, 2010 11:04 AM ET | Last Updated: Jun 14, 2010 10:27 PM ET

Examples from the sport sector:

FOOTBALL

Target in 2005 McGill hazing horror speaks out 3

BY JOHN KRYK ,QMI AGENCY

FIRST POSTED: SATURDAY, NOVEMBER 09, 2013 05:39 PM EST | UPDATED: SATURDAY, NOVEMBER 09, 2013 05:48 PM EST

Carleton U suspends women's soccer team over rookie hazing

[CBC News](#) | Posted: Sep 18, 2009 7:06 PM ET | Last Updated: Sep 18, 2009 7:02 PM ET

Laurier suspends baseball team after hazing

The Canadian Press

Published Thursday, September 20, 2012 10:49AM EDT

Last Updated Thursday, September 20, 2012 5:22PM EDT

Examples from the sport sector:



AMATEUR SPORTS

Sports / Amateur Sports

Swim coach Cecil Russell ignores ban, again

Cecil Russell, a swim coach banned for life, twice, never stopped coaching and now the Dolphins Swim Club of Oakville has been banned because of him.

Examples from the sport sector:

UTEP Point-Shaving Scandal? Suspended Basketball Players McKenzie Moore, Jalen Ragland Targeted By Rumors, FBI Investigation: Reports

By *Thomas Barrabi*

on January 07 2014 2:31 PM

Two members of the UTEP men's basketball team may be under investigation for their role in an alleged point-shaving scandal, according to a new report.

Examples from the sport sector:

NHL concussion lawsuit grows to over 200 players: lawyers

Original lawsuit against NHL included 10 former players

The Canadian Press | Posted: Nov 27, 2013 8:28 PM ET | Last Updated: Nov 28, 2013 9:51 AM ET

Examples from the sport sector:

ANGRY CANUCKS FANS RIOT IN VANCOUVER AFTER STANLEY CUP LOSS

THE CANADIAN PRESS
6/16/2011 1:22:51 AM

↔ Text Size

VANCOUVER -- Parts of downtown Vancouver erupted in flames, explosive booms thundered through the air and looters smashed windows and ran amok inside department stores Wednesday after the city's Stanley Cup run ended in bitter defeat.

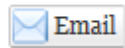
Outcry over made-in-China clothes for Canadian Olympians

The Canadian Press | Posted: May 02, 2008 10:13 PM ET | Last Updated: May 02, 2008 10:08 PM ET

Examples from the sport sector:

IOC Seeks to Close Bribery Crisis

December 05, 1999 | STEPEHN WILSON | ASSOCIATED PRESS



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LAUSANNE, Switzerland — It all began a year ago with the "B" word.

Marc Hodler, a senior executive board member of the International Olympic Committee, was the first official to use "bribe" to describe the methods used by Salt Lake City to win the vote for the 2002 Winter Games.

Salt Lake City Olympic scandal

It might be the most ruthless of all Olympic competitions: the race for the right to host the Games. At stake are hundreds of millions of dollars in potential profit, and an indelible mark on the global map. To opponents it's a colossal waste of tax dollars, a carnival of hype, spin and speculation. CBC Archives looks back at Canada's winning and losing Olympic bids.

Examples from the sport sector:

Plane crash kills KHL team in hockey's 'darkest day'

Canadian coach Brad McCrimmon, several ex-NHLers among 43 dead, league says

[CBC News](#) | Posted: Sep 07, 2011 9:05 AM ET | Last Updated: Sep 07, 2011 10:41 PM ET

KHL: Gun-slinging owners, drugs, dodgy air travel all part of the game

Gun-slinging owners, planting drugs on players and dodgy aircraft travel are all part of the game at the world's No. 2 hockey league.

Examples from the sport sector:



Sex offender Graham James' sentence increased to five years

SCOTT EDMONDS

WINNIPEG — The Canadian Press

Published Friday, Feb. 15 2013, 12:21 PM EST

Last updated Friday, Feb. 15 2013, 7:54 PM EST

James was
retired NHL
Todd Holt



108



89



17



2



3

AA

Victims are praising the decision of the Manitoba Court of Appeal to more than double the sentence of child molester and former junior hockey coach Graham James.

"This is a great day for all survivors," retired NHL star Theo Fleury, who

Examples from the sport sector:

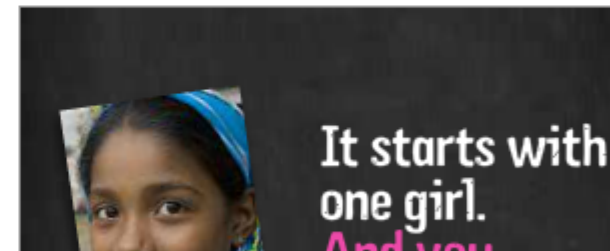
Pressure mounts on IOC amid backlash on Russia anti-gay law

Next president will inherit controversy after election next month

By Ian Munroe , CBC News | Posted: Aug 12, 2013 5:23 AM ET | Last Updated: Aug 12, 2013 1:55 PM ET



Stay Connected with CBC News



Examples from the sport sector:

Olympic luger dies on track where speed caused concern

February 13, 2010 6:11 p.m. EST



Sao Paulo World Cup stadium collapses, 2 killed

11-28-2013 11:38 BJT

POLL



What is a Crisis?

- Damaging event or incident that threatens the the organization. Includes damage to people, an image, brand or facility.
- Unpredictable event that has potentially negative results. The event and its aftermath may significantly damage an organization.
- Serious incident or issue which has either received or been threatened with adverse publicity.



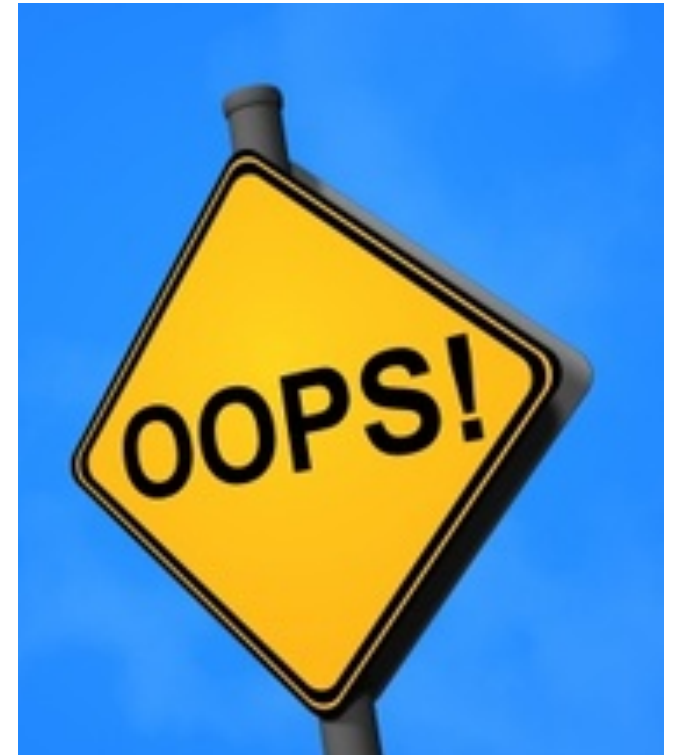
What is a Crisis?

- A fluid, unstable, dynamic situation where things are in a constant state of flux.
- Crises can come in pairs, clusters or series.
- Never cut and dried, and never black and white.
- Highly unpredictable.



Common features of a crisis

- Something is at stake (reputation, survival, finances).
- Someone is to blame.
- Someone finds out.
- Leadership under pressure: must act in a hurry, without full knowledge.
- Leaders will be second-guessed.



A crisis will not wait

It's like wrestling a gorilla. You rest when the gorilla wants to rest. (Strauss)



Stages of a Crisis

1. Avoiding the crisis: the early warning stage
2. Preparing to manage the crisis
3. Containing, managing and resolving the crisis
4. The post-mortem: learning from the crisis



1. Avoiding the Crisis

- Be attentive to the early warnings
- Be open to clues that should trigger a proactive response to an escalating issue or impending crisis.
- Monitor social media channels.
- Whistle blowing policy.



Listen to the Warning Signs



2013 Penn State Sandusky Sex Scandal



1986 Space Shuttle Challenger explosion

1. Avoiding the Crisis

Risk Management

The first step in any risk-management exercise is to identify the major areas of risk facing the sport organization. These "risk areas" can be defined as potential events or occurrences that could lead ultimately to loss or harm for the organization:

<http://www.sirc.ca/newsletters/june08/feat3.cfm>

Risk Assessment Worksheet.

2. Preparing to manage a crisis

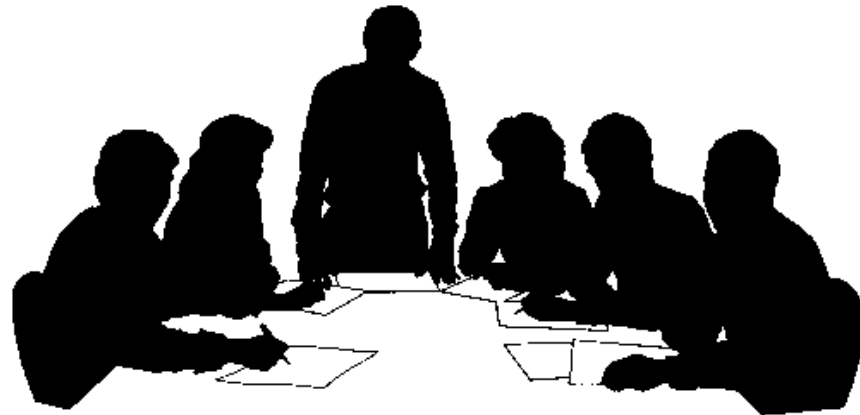
Governance & Accountability:

- Include crisis management detection as part of Board agendas on a periodic basis.
- Incorporate crisis management activities into sport organizations plans and priorities.
- Incorporate crisis management activities into the senior staff member's job description.

2. Preparing to manage a crisis

Plan

*The only thing more difficult than
Planning For An Crisis...is explaining later Why You Didn't.*



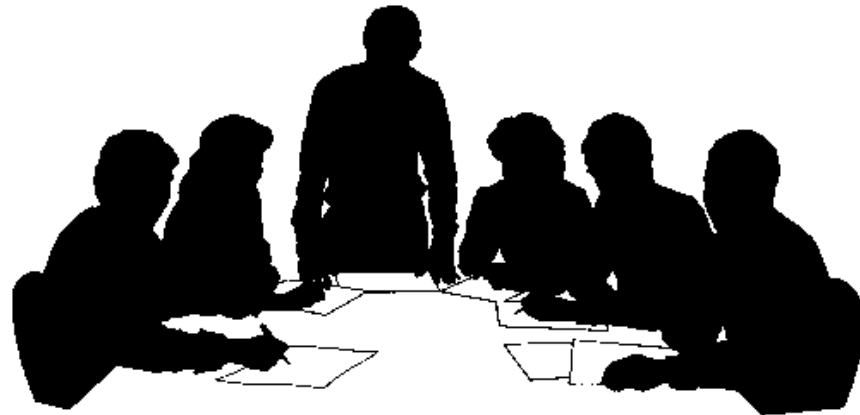
2. Preparing to manage a crisis

Practice

- Stage table top exercises (TTX) / fire drills.

The only thing more difficult than

Planning For An Crisis...is explaining later Why You Didn't.



2. Preparing to manage a crisis

- Establish essential relationships. The heat of a disaster is the poorest possible time to establish new relationships with organizations that you may need to call upon.
- Store back-up key supplies and information off-site.
- Form a Crisis Management Team (CMT) empowered to make and implement decisions rapidly in the midst of a crisis.

2. Preparing to manage a crisis: CMT

- CMT provides a centralized power structure that can make and implement decisions rapidly in the midst of a crisis.
- Exercise stewardship and get the organization back to business as usual, as soon as possible.
- CMT needs to have authority to take rapid decisions and spend money which has not been budgeted in a budget line item.

2. Preparing to manage a crisis

- Identify spokespersons.
- Provide training for the CMT and spokespersons.
- Develop generic holding statements so you don't have to start from scratch.
- Ensure that insurance coverage is adequate.
- Toll free number which can be readily activated.

3. Containing, managing and resolving the crisis

- Past the point of no return.
- The warnings have slipped by unnoticed, or been ignored.
- The hot spot has erupted.
- Normal operation of the organization is compromised at this stage.
- The situation typically falls under intense public or media scrutiny.
- Some damage has already occurred; how much additional damage will occur depends upon the leader.



3. Containing the Crisis: Damage Control


- Contain the crisis so that it does not contaminate other areas.
- Often leaders divert full attention to containing the crisis and other parts of the organization suffer.
- Take care of operations – take care of people.
- Communicate internally – clearly and aligned with vision and values.



3. Containing the Crisis: Damage Control

- Contain the crisis so that it does not contaminate other areas.

 [E-mail this to a friend](#)

 [Printable version](#)

Olympic luger Nodar Kumaritashvili dies after crash

The death of a luge competitor who left the track at high speed has cast a shadow over the 2010 Winter Olympics.

Georgian Nodar Kumaritashvili's sled flipped and he smashed into a steel pole at the Whistler Sliding Centre, killing the 21-year-old.

3. Containing the Crisis: Communications



3. Containing the Crisis: Communications

- Get it right, get it quick, get it out and get it over.
- Some reasonable, decisive action is almost always better than no action at all.
- Even if you're on the right track, you'll get run over if you just sit there.



3. Containing the Crisis: Communications

- Have a bad day, otherwise you're going to have a bad year.
- Think Rob Ford, Justin Bieber, Alison Redford, Pamela Wallin....
- "I do not use crack cocaine, nor am I an addict of crack cocaine." – May 2013
- "Yes, I have smoked crack cocaine,....Probably in one of my drunken stupors." - November 2013



3. Containing the Crisis: Communications

- Timeliness: Walk the burning coals early. Take control early on when and how information comes out. Be first with the bad news.
- State clearly that you do not know all the facts. Then promptly state the facts you do know.
- Speak on fact, not on rumour or speculation.
- Always tell the truth: reveal what you can and in your own words, as much as legally feasible.



3. Containing the Crisis: Communications

- Be available – if you aren't others will fill the vacuum.
- Be proactive – not just reactive.

Currently

Not

Available

3. Containing the Crisis: Communications

- Express genuine concern / sympathy / empathy.
- Manage your own emotions – it is not about you.
- Limit comments to a single spokesperson when possible.
- Focus your message and be disciplined in execution.



Tiger Woods Dropped By First Major Endorser

CELEBRITY NEWS

DECEMBER 13, 2009 AT 6:27PM

BY USWEEKLY STAFF

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t Tweet 0



Two days after announcing he'll take an [indefinite break](#) from the sport of golf to focus on his marriage, **Tiger Woods** has lost his first major endorsement deal as a result of his alleged infidelities.

Global consulting firm Accenture announced they were cutting all ties with Woods Sunday, confirming he is "no longer the right representative" after the "circumstances of the last two

Credit: Jason Kempin/WireImage

3. Containing the Crisis: Communications

PHS Community Services Society audit revealed:

\$69,000 charged for restaurant bills, \$12,028 for limousines,
\$8,395 for spas, and \$300,000 on conference expenses for staff.

Co-executive Director Ken Townsend comments:

“paperwork isn’t our forte”

“If it's such a crisis, then why wasn't it a crisis eight months ago?”



3. Containing the Crisis: Communications

“The people of Lac-Mégantic had every reason to be very upset with what had occurred, but what they didn’t know was that I was equally upset and I was also a victim of this whole thing.

It’s reduced me from being a fairly well-off guy to one that’s just getting by.

They view me terribly, but I wasn’t the guy who didn’t set the brakes on the train,”



POLL: What’s wrong with this picture?

3. Containing the Crisis: Communications

The crisis: students chanting about underage, non-consensual sex,

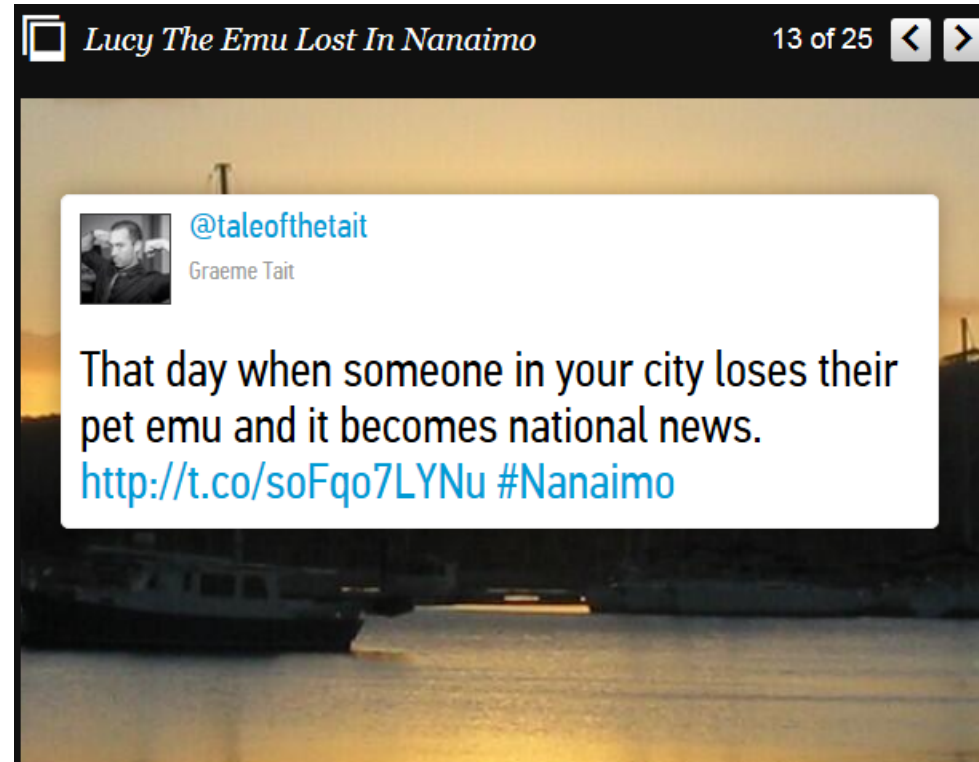
Quotes from senior university leaders from the two schools:

“I am deeply concerned by the events of the past weeks. The reported events are completely inconsistent with the values of the (university). I am committed to taking steps to ensure this will not happen again and that all students will feel safe and welcome when they begin their studies.”

“I have been here for 31 years ... what do you think this does to me, I have given this my life, it's my passion. What do you think I feel? I feel sick to my stomach.”

3. Communications: Social Media

Can't overstate the impact of social media.



3. Containing the Crisis: Leadership

- Step up.
- The spotlight is on.
- Make it or break it.
- Establish a sense of normality, minimize the impact of the crisis, and foster collective learning from the crisis experience.
- Heroes and villains emerge at warp speed.



3. Containing the Crisis: Leadership

- Crises challenge management's ability to lead.
- Leaders can fail if they are unable to take decisive and appropriate action that is linked to the organization's mission and values.
- Effective crisis managers have the ability to
 - (a) frame events,
 - (b) keep them in perspective,
 - (c) tolerate confusion and hostility and
 - (d) be decisive despite incomplete information.

What
the hell
is going
on?

3. Containing the Crisis: Leadership

- Get your hands dirty and be present as a visible leader.
- Good – Bad - Ugly
 - Rudy Giuliani 9 / 11.
 - Exxon Valdez - 1989
 - Vladimir Putin - Kursk submarine sinking - 2000



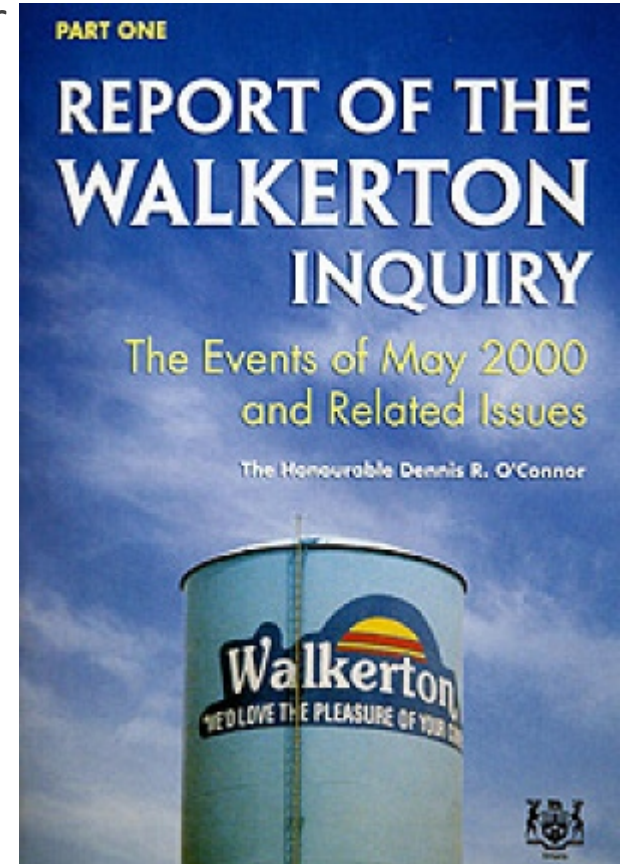
3. Containing the Crisis: Leadership

- In the heat of a crisis there is uncertainty about critical events, the stakes are high, time is short, there are conflicting values and multiple constituencies.
- Leaders will be better able to tolerate confusion if their organization has a clear sense of purpose and mission, which articulates what the organization stands for.
- Connecting to the organization's mission, values and beliefs can serve as ballast during times of confusion. When leaders get into highly stressful situations, they will know how to react if they have a strong core and sense of organizational values.

3. Containing the Crisis: Leadership

Seven people died and 2,000 became sick from infected water in Walkerton. Roger Martin's management analysis of what went wrong found that failure to admit mistakes was at the root of the crisis:

“When pushed beyond our comfort levels, we will engage in defensive behaviour aimed at avoiding failure and the resulting embarrassment. We will avoid telling the truth or asking questions. The result is that we will cover up mistakes, even if it makes a bad situation worse.”



3. Managing the Crisis: Leadership

Effective crisis leaders must be able to separate what is important from what is background noise, and make well-organized decisions.

In the first minutes of the March 28, 1979 nuclear power plant meltdown over 100 alarms were triggered.

You don't know what you don't know.





QUESTIONS?

4. The Post Mortem stage

- Distill the critical lessons - What needs to change.
- Inquiries & Audits: Why it occurred - the systemic causes.
- Put these lessons into practice for the future.

4. The Post Mortem stage

- Put these lessons into practice for the future.

IOC Seeks to Close Bribery Crisis

December 05, 1999 | STEPEHN WILSON | ASSOCIATED PRESS



LAUSANNE, Switzerland — It all began a year ago with the "B" word.

Marc Hodler, a senior executive board member of the International Olympic Committee, was the first official to use "bribe" to describe the methods used by Salt Lake City to win the vote for the 2002 Winter

Tragic death of Nodar Kumaritashvili changed forever the sport of luge



By [Martin Rogers](#)
February 7, 2014 9:20 AM
[Yahoo Sports](#)



"We have demonstrated beyond any question that we are bound and determined to reform the organization, we have accomplished things that might have taken years to accomplish otherwise." Dick Pound

4. The Post Mortem:

- No Fault Learning.
- What are the key lessons that need to be learned.
- What was not learned from the past and why.

4. The Post Mortem: Reflection questions:

- What happened?
- Why did it happen?
- What does it mean?
- What's being done so it won't happen again?
- What did we learn?
- What remains the same?
- What has changed?
- Who was the most impacted and how are they doing now?

4. The Post Mortem

- Crises can teach us what is broken.
- Taking action to address what went wrong can make the organization and the sector stronger.
 - Harassment in sport collective was formed;
 - Hockey Canada launched anti-bullying program.
 - CCES was formed,
 - IOC governance reforms, etc

4. The Post Mortem stage

It ain't over 'til it's over.

Anniversaries.

FOOTBALL

Target in 2005 McGill hazing horror speaks out

BY JOHN KRYK ,QMI AGENCY

FIRST POSTED: SATURDAY, NOVEMBER 09, 2013 05:39 PM EST | UPDATED: SATURDAY, NOVEMBER 09, 2013 0

4. The Post Mortem

- Recover emotionally.
- Congratulate those who performed well.
- Management shake-ups. Heads may roll.
- Re-examine the Signal Detection systems.
- Re-examine the Crisis Management Team.

Conclusion

Crisis as an opportunity.

Q and A



THANKS



April 23

Linkedin for the Sport Leaders

Andrew Moss

May 14

CSP Engagement in the community

Marg McGregor

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