

Repairing a Damaged Reputation: My Advice to Rupert Murdoch

Patrick Barrow argues that all is not lost for Rupert Murdoch in the wake of Hackgate. ‘Murdoch and his newspapers have become, increasingly, one of a gang of tabloid players all doing what everyone has long suspected, behaving badly. The rest, to the world at large, is detail. Right now, any decent advisor would be telling him that’

My advice to Rupert Murdoch: seize the initiative, the worst is over.

Because, unfashionable though it may be to suggest it, Rupert Murdoch, CEO of News Corp, owner of disgraced and defunct Sunday tabloid the *News of the World (NoW)*, *eminence grise*, *bête noire* and all round bad lot, may, just may, be out of the reputational woods.

To examine why, and establish the basis of any advice he should be given, the evolution of allegations, events and happenstance need to be explained. Circumstances have changed from a point that once looked hopelessly bleak to a point where he may emerge with Mark Twain on his lips, ‘reports of his demise greatly exaggerated’.

After the initial furore, and perhaps as much by luck as design, events have begun to run in his favour. Of course, unforeseeable revelations may arise and once again set him back, perhaps irredeemably. At the time of writing (December 2011) that is impossible to predict. But, like the skin beneath a scab, his reputation slowly re-knits, albeit with a very ugly scar. Because the debate is now moving on to wider issues of newspaper malpractice and has retreated from the public mind into one confined more and more within the self-interest of the media.

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The Damage Done

This is not to say that his various reputations as newspaper magnate, successful businessman and associate of the powerful have not been damaged. They have. In fact, they have been damaged, stained and tainted to a point that, in much the same way as there is a corner of Tony Blair that is forever Iraq, the scandal of how the *News of the World* went rogue will be a chain shackled forever to the ankles of his personal history.

His capacity to influence the powerful is greatly diminished. The politicians that so assiduously courted him have publicly disowned him and his executives. They are the devils with whom no one can be seen to dance. This applies not just in the UK epicentre of the scandal but across the Atlantic too where suggestions that phone hacking extended to victims of the 9/11 attacks provoked the emotions one would expect. American politicians angrily

demanded criminal investigations under the Foreign Corrupt Practices Act. As a businessman, Murdoch's reputation and fortunes have also suffered badly. At the most basic, he has lost Britain's best-selling newspaper, closed down in the face of initial public outrage and the pressure exerted by advertisers desperate to distance themselves from the stink of disgrace. They deserted in droves. His then imminent attempt to purchase BSkyB simply died on the spot. Already the centre of a controversy in which Business Secretary Vince Cable was caught by a *Daily Telegraph* sting, the messy politics got messier. It became an untouchable and the bid was withdrawn (Goldfarb, Beales and Dixon 2011).¹ A doddering performance at the initial House of Commons Parliamentary Select Committee hearing into what had happened at the *News of the World*, raised questions over whether the once mighty Murdoch hand was quite as steady as it could and should be on the tiller of empire. NewsCorp's share price plummeted, major backers raised concerns over the fitness of son James Murdoch for continued business governance (Wilson 2011)² and, it was reported, daughter Elisabeth was raising similar points with considerable vehemence. The very fabric of the intertwined Murdoch business and family, of which former *NoW* and *Sun* editor Rebekah Brooks was widely deemed to be part, seemed to be under threat.

Turning the Tide – the News of the World Shut Down

The advice now would surely be to move decisively, be bold and reassume command of events. Murdoch did exactly that. He shut down his best-selling UK paper. Those desperate firebreak attempts at first seemed to fail. First, the closing down of the *News of the World* was accompanied in seconds by suggestions on the various live feeds set up by rival media organisations that a *Sun on Sunday* would be up and running as soon as the dust settled. The failure to fire executives including Rebekah Wade, under whose editorial regime some of the worst excesses of hacking appeared to have occurred, was seen as an attempt only to use them as lightning conductors, drawing fire from the beleaguered Murdochs. Sacking them immediately would, of course, have instantly meant an accusation that they were scapegoats for greater Murdoch empire sins. A line already being used by the now redundant staff at the *News of the World*, embittered, angry and claiming themselves to be 'all unspotted' by previous practice.

But Murdoch kept his nerve, even when cynicism reigned, himself apologising to the family of murdered schoolgirl Mille Dowler for the hacking of her phone, the single act which had propelled the scandal from marginal to general public opprobrium.

Crisis Management – Human, Accessible, Credible

If crisis management is about being human, accessible and credible, he had dealt with point one. A family man had apologised to a family and, albeit under duress, he had made himself accessible to parliamentary scrutiny, underlining once again his human credentials by professing himself 'humbled'. Only 'credible' remained. But, first, further sessions of parliamentary select committees loomed as disgruntled journalists promised further revelations on precisely who knew what and the Leveson Inquiry into media practice was announced, promising a drip, drip of allegations not only from journalists but from victims.

Stakeholders Alienated

That corrosive damage looked the more threatening for the sheer emotional weight it would carry. The Dowler family, the McCanns, themselves parents of a child lost in appalling circumstances, could not be dismissed as celebrities caught in the ambivalence of seeking media attention but wanting it only on their own self-serving terms. Worse, preliminary sessions of the Inquiry saw former *Sun* editor and Murdoch favourite Kelvin MacKenzie caricaturing the aggressive, unapologetic tabloid journalist. He condemned the inquiry as 'ludicrous', the political classes as 'nauseating' and proclaimed the *Sun* as 'a bit of fun'. 'So, where is David Cameron today? Where is our great Prime Minister who ordered this ludicrous inquiry? After all, the only reason we are all here is due to one man's action; Cameron's obsessive arse-kissing over the years of Rupert Murdoch. Tony Blair was pretty good, as was Brown. But Cameron was the Daddy,' MacKenzie opined.³ For those to whom Murdoch's reputation was forever wound about the *Sun* of the Eighties, this was a further piece of clinching evidence.

Among those in the Labour Party weaned on the notion that their political exile during the Eighties and a good chunk of the Nineties was due to a 'Tory press' and 'The *Sun* Wot Won It', MacKenzie's outburst was simple confirmation of undue political influence. Those included former Deputy Prime Minister John Prescott, himself a victim of hacking, and Tom Watson MP, longtime pursuer of all things Murdoch and prominent member of the select committee investigating him.

Conservatives, fighting off the scandal associated with former *NoW* editor Andy Coulson's role as David Cameron's director of communications, must have been similarly unimpressed. Ditto the public whose view of political reputations, befouled by expense abuses revealed, ironically, through the pages of a newspaper, the *Daily Telegraph*, had been given a ringing endorsement. If two sets of stakeholders were being systematically alienated, a further one, the media, was not failing to take advantage of the opportunity a rival's difficulties were presenting.

Not satisfied with the demise of the *News of the World*, the *Independent*, meanwhile predicted Leveson would be the end of the *Sun*. 'The past few days have been the worst that anyone can remember at the *Sun*, where there are genuine fears that the paper could follow its sister publication's path to oblivion, taking its place among thousands of other defunct titles in the archive of the British Library,' wrote journalist Ian Burrell.⁴

Opportunity Presents Itself – Closing Down NoW Pays Out and Leveson Terms Favour Murdoch

Rarely can Rupert Murdoch's reputation have been at a lower ebb. And yet it is from here on that things have changed for Rupert Murdoch, presenting him – and any advisor – with an opportunity once again to take charge of his reputation. Take charge is classic advice, before events and competitors do so to your detriment. Firstly, whatever was now thrown at the *News of World*, the newspaper was dead. He had had the rogue beast put down. Flogging it further hardly mattered. There was, by now, also no sign of an imminent replacement. Had it ever been planned, that route was now cut off.

Despite what must have been Murdoch's worst fears, the circulations of other titles in the News International stable, including *The Times* and *Sunday Times* but more importantly the bigger selling tabloid *Sun*, either held up or reflected only

the trend decline in newspaper circulation. Advertisers felt they were sufficiently free of contamination to hold on. Confidence was returning. That key element of the PR stakeholder map that is 'business' was keeping its faith in the reputation of Murdoch publications.

Wade, arrested, questioned, kept in the limbo of a police investigation, resigned. In so doing, she took with her whatever sins she had committed. To those among the business stakeholders, the right executive changes were finally being made. And the terms of the Leveson Inquiry were announced.

Importantly, their focus lay not on Rupert Murdoch, News International nor the *News of the World* but on press practice as a whole.

Where News International is mentioned at all, it is as one of a host of media organisations whose behaviour was to be examined. Add to that an examination of the behaviour of the Metropolitan Police and politicians plus the brief to look at and recommend a regulatory regime, and suddenly Murdoch was only one face among a crowd in the dock.⁵ An advisor looking at the terms of reference would instantly have seen a chink of light. Counsel for the inquiry, Robert Jay QC, characterised phone hacking as 'a thriving cottage industry' in his opening remarks and helped almost straight away. He specifically included the now defunct *News of the World* as a part of that industry. But he had very soon implicated the *Daily Mirror* too. The names of *Mirror* reporters were found in the notebooks of Glenn Mulcaire, the man at the centre of phone hacking allegations, he revealed.

Hugh Grant, inquiry witness, actor and long-time campaigner against press intrusion, fingered the *Mail on Sunday*. Comedian Steve Coogan, another celebrity witness, named the *News of the World*, still dead, in his testimony but added the *Daily Mirror* and the *Daily Mail*, alive and now issuing denials. The powerful testimony of Kate McCann, mother to missing daughter Madeleine, was bitterly critical of the *News of the World* and its final editor Clive Myler. But the *News of the World* had gone, the *Daily Express*, which accused her and her husband of having been so hard up as to sell their daughter, had not. Nor had the *Daily Mail* which knowingly printed a photograph of a girl seen in India suggesting it was Madeleine when the McCanns knew emphatically that it wasn't her.⁶ The process was no longer about Murdoch. Or at least Murdoch alone.

At about the same time, allegations brought by *NoW* journalists to a second hearing of the select committee suggesting that James Murdoch had known about and condoned hacking at the *News of the World*, were described as 'less than compelling' by Louise Mensch MP and committee member. For a second time, James Murdoch escaped a select committee without anyone finding a smoking gun.

Stakeholders Reachable and Unreachable

Tom Watson's frustration was evident as he accused Murdoch Junior, saying: 'You must be the first mafia boss in history who didn't know he was running a criminal enterprise.' It made a good sound bite and was widely reported but there was eye-rolling and tutting in the committee room and James Murdoch dismissed the remark with no further comment than it was 'inappropriate'. A good advisor would now be pointing out what some, including perhaps those observing Watson, had already guessed; that a section of largely Labour politicians were appearing in that part of a classic stakeholder map which says 'those we cannot reach'.

As *NoW* journalist Neville Thurlbeck, implicated in phone hacking by a

transcript of an e-mail (for Neville) passed to the *Guardian*, said of examination by Watson: ‘My evidence did not fit the pre-ordained frame of his argument “I’m old Labour so Murdoch is a lying, capitalist bastard. Right, I’ve ticked that box”.’⁷

And for now, one would advise, that didn’t matter. Exiled at least for now from power and reliant on a popular media to either return to it or be an effective opposition, the separation could only be temporary.

Benefiting perhaps from his classical education, David Cameron had already alighted on the eternal rule of politics: *nulli permanentes amici nulli permanentes inimici* (no permanent friends, no permanent enemies) and used Murdoch’s *Sun* to appeal over the heads of public sector workers in advance of an imminent national strike. Rupert, one would be tempted to advise, it appears your reputation no longer puts off Prime Ministers.

Elsewhere, the stakeholder position occupied simultaneously by media and competition had been forced into a corner by the terms of Leveson, forcing them to defend their perception of press freedom, and implicitly News International as part of the press. *Guardian* editor Alan Rusbridger, whose newspaper had revealed the misdeeds of Glenn Mulcaire and the *News of the World*, was in a particularly difficult position, telling Leveson:

The coming period of examination of the press will doubtless be an uncomfortable one in some respects. We’re sure you will have in your mind the good things that journalists do which, more than ever, need protection as well as the work of the 99 per cent of British journalists who wouldn’t have a clue how to hack a phone and who don’t go to work to snoop into the private lives of others.⁸

Simple maths tells you that this means 99 per cent of Murdoch journalists also. Simon Jenkins, columnist and former editor of *The Times*, rowed back further in an irascible performance on BBC Radio 4’s *The Moral Maze*.

Conceding that the *News of the World* newsroom had been ‘systematically corrupted’, he went on to suggest that what followed ‘had been blown out of all proportion’ and that ‘no-one died’.⁹

In fact, Milly Dowler had. And someone had hacked her phone as desperate attempts were made to find her. But that unfortunate fact remains an obstacle to a press now united in fear, less of Murdoch, than of the common enemy of regulation. Your enemy’s enemy, one would advise Rupert Murdoch, has just become your friend.

Advice on Exploiting Circumstances – Guiding Regulation

And, with those pieces in place, the final element of the crisis mantra ‘human, accessible, credible’ comes into play. Credibility hinges on believable behaviour and that requires action. In this, Murdoch can take the initiative.

Truth and Reconciliation?

It would be easy to suggest a truth and reconciliation exercise. A year zero approach, confessing all and everything in a way that lances the boil and expunges the opportunity for any further damaging accusations. ‘We know,’ would come the response, ‘we admitted it, conceded it and apologised for it.’ *Mea culpa, mea culpa, mea maxima culpa*. Before forgiveness, true repentance. However, the ‘collateral damage’ from such an exercise would be colossal, dragging in informants, whistle-blowers, politicians and businessmen, soldiers, doctors, priests and prisoners. Murdoch journalists would never again be

trusted, their discretion never relied upon, the relationships on which both Murdoch's influence as a media magnate are based and on which journalistic operations can continue, would be blown.

As an option, however attractive to the public it might be, would be deeply undesirable and, far from fixing Murdoch's reputation, sink it without trace.

Public Atonement, Informing a New Regulatory Process

Others have suggested the endowment of chairs and academic positions in media and media ethics; an approach which has, in the past, worked to cleanse the reputations of US newspaper proprietors. But this is invisible, obscure, esoteric. A publicly sullied reputation needs public mending. What does remain open to him, however, is the regulatory process.

This he can both influence and inform, construct and comply with and do so with an unbridled enthusiasm which leaves his commitment to reform open to no doubt. What one cannot change, embrace, would be the advice. To do that will demand an element of sacrifice. What information he chooses to yield up to Leveson and elsewhere to satisfy that, only he can know. That would, however, compromise the Murdoch family line that phone hacking and related bad practice was a matter of which they were largely unaware.

Murdoch would suggest, and to a degree rightly, that the shutting down of an old established and profitable title such as the *News of the World* was sacrifice enough and certainly an explicit acknowledgement that what went on was wrong. Cynics will say that the market did the work. However, that can't detract from the essential fact of its closure and that gives Murdoch a moral platform from which to operate in a way that rival titles now facing fire such as the *Express* and *Mail* cannot claim.

Acknowledging the realities of both the newspaper market and the means which journalists use to extract information from those who would prefer to conceal it would be his first port of call. By getting this right, and Alan Rusbridger in the extract already used largely makes his case for him, he ensures the support of his rivals. The media stakeholder is bound back in.

However, outside that he must be seen to administer justice to those in his empire who are in breach of whatever regulatory regime he helps construct. Prominent apologies must be published, journalists must be disciplined, even fired *pour encourager les autres*. This need not blunt the teeth of a rigorous Press. The *Telegraph* used a sting to trap Vince Cable and the chequebook to gain information on MPs' expenses. *The Times* received a leaked internal report to blow the lid on the England rugby team's disastrous 2011 World Cup. Those are legitimate means of journalism.

But, in instances where the law or whatever new code is broken, Murdoch newspapers must act swiftly, decisively and publicly.

Who fronts up?

Supplementary to this must be the regular appearance across the airwaves of Murdoch himself and senior journalists from his publications to state often and repeatedly their determination to be at the forefront a clean-up in journalism. The message must be clear. Reform is being driven from the top. Reputations are at stake.

Precisely who fronts up is important. Rupert Murdoch must be more than the old man who looked so baffled by the select committee process. His son, James, now resigned from his News International board posts, is a man to be used sparingly. Not only is he inextricably linked to the investigation – his father has

been well advised in assuming a background role that distances him from events in what remains a small part of his empire – but his Ivy League business school monotone is not engaging and less than the ‘human’ for which crisis management practice calls. His role would seem now largely over, a fact implicit in his departure from NI.

New executives, trusted executives, if necessary poached from elsewhere would cleanse the face of Murdoch.

In Murdoch We Trust

Meanwhile, internally, there should be no illusion that the new regime is a nod-and-a-wink refuge from due scrutiny. Management needs to enforce the headline behaviours unequivocally. The philosophy behind this is a simple one and it hinges on trust, the ultimate reputational marker. All that Murdoch now does must be an exercise in the re-establishment of trust in him and his media outlets. To politicians, this would illustrate that once again they may be seen in his company. To businessmen, it would reinforce confidence, de-risk investment and re-engage advertisers. To the public, a message of reform would reinforce behaviour that they had never really abandoned anyway – buying Murdoch newspapers. To competitive media, it would set a challenge to which they would be obliged to respond and to regulators and law makers, the idea of Murdoch as straight player would be hard to refute.

Win. Win.

For some, the building of a trusted Murdoch may be an uncrossable Rubicon but with the press collectively daubed with the brush of roguery, an honest villain may become the most attractive option. My final advice to Murdoch would be to embrace that inner villain.

Notes

¹ See http://www.nytimes.com/2011/07/14/business/murdoch-discount-in-newscorp-stock.html?_r=1, accessed on 21 November 2011

² See

<http://www.telegraph.co.uk/finance/newsbysector/mediatechnologyandtelecoms/media/8893060/Pirc-tells-BSkyB-investors-to-oust-James-Murdoch.html>, accessed on 17 November 2011

³ See <http://www.telegraph.co.uk/news/uknews/phone-hacking/8823558/Phonehacking-Kelvin-MacKenzie-speech-in-full-to-Leveson-inquiry.html> accessed on 22 November 2011

⁴ See <http://blogs.independent.co.uk/2011/11/14/leveson-inquiry-could-this-be-the-end-for-the-sun/>, accessed on 14 November 2011

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⁵ See <http://www.levesoninquiry.org.uk/about/terms-of-reference/>, accessed on 23 November 2011

⁶ See <http://www.telegraph.co.uk/news/uknews/leveson-inquiry/8911318/Leveson-Inquiry-I-wanted-to-climb-into-a-hole-I-felt-so-worthless-says-Kate-McCann.html>, accessed on 27 November 2011

⁷ See <http://www.pressgazette.co.uk/story.asp?sectioncode=1&storycode=48263&c=1>, accessed on 25 November 2011

⁸ See <http://www.guardian.co.uk/media/2011/nov/16/alan-rusbridger-statementleveson-inquiry?INTCMP=SRCH>, accessed on 24 November 2011

⁹ See <http://www.bbc.co.uk/iplayer/console/b0174hs8>, The Moral Maze, accessed on 24 November 2011

Note on the contributor

Patrick Barrow has over twenty years' experience in reputation management for corporations and individuals. He worked for BBC News during the Birt years and was head of corporate affairs for the Telegraph Group. Formerly Director General of the Public Relations Consultants Association (PRCA), the professional body for PR, he has also advised corporations across a wide range of sectors, particularly during crisis and transition. Currently running Reputation Communications, www.reputationcommunications.com he also blogs on reputational issues as Forsooth at www.forsooth.blog.co.uk.