



FLEISHMANHILLARD

LEADING IN THE ERA OF

COMPOUNDING CRISIS

October 2025



Executive summary

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Today's leaders face uniquely disruptive conditions:

Geopolitical tensions, misinformation, conflicting stakeholder expectations, external attacks, and employee activism. Issues overlap and amplify, threatening profit and licence to operate. Crises no longer fit neat models. One rolls into the next.

Welcome to the era of the “compounding crisis.”

Leading in this era can feel relentless. This report aims to provide some assistance. We have surveyed 150 leaders of large businesses, and they helped us identify four core traits that provide a useful guide for navigating today's crisis communications landscape.

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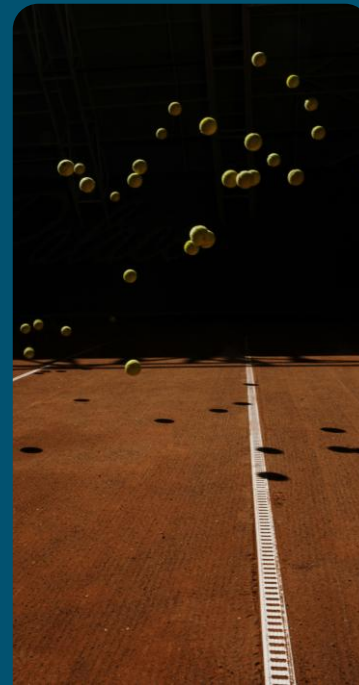
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Leaders are feeling unprecedented pressure and exposed by lack of preparedness



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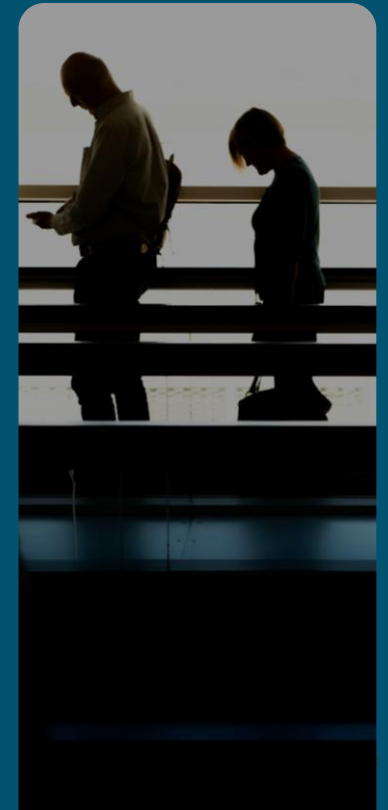
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Trait One

Leaders are feeling unprecedented pressure and exposed by lack of preparedness

THE INSIGHTS

CEOs face relentless pressure to deliver amid constant crises and pressure from all angles.

Executives are feeling unprecedented pressure to deliver profit and that pressure is amplified by issues, incidents, and crises that drive distractions and knock them — and their businesses — off course.

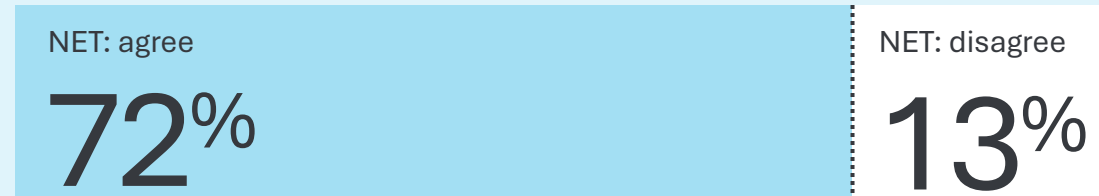
Issues are increasing in frequency and so is the potential for business harm. Stakeholders— investors, politicians, NGOs, employees, customers, communities, and others — expect more from CEOs than ever before. The era of compounding crisis is also an era of maximum scrutiny. Politics is delivering unprecedented uncertainty, too. All in all, decision-making is becoming harder and more complex.

Expectations are unrealistic. No one can be always-on, in the detail, flawlessly consistent, and totally authentic. Meanwhile, facts shift and stakeholders pull in opposite directions. All of these forces lead to decision fatigue and the quiet fear that one misstep will torpedo the future and the legacy of a leader.

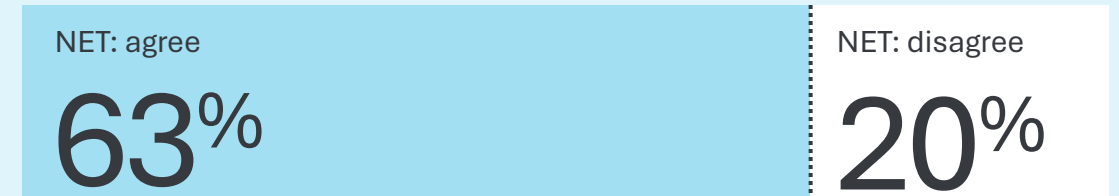
Given all the pressure, preparedness might feel like an impractical luxury. But facing today's volume, variety, and velocity of threats without enough space to think, opportunities to practice, and a trusted inner circle, heightens risks and isolates leaders in the the moments they're most visible.

All eyes on the CEO. Leaders face a storm of scrutiny.

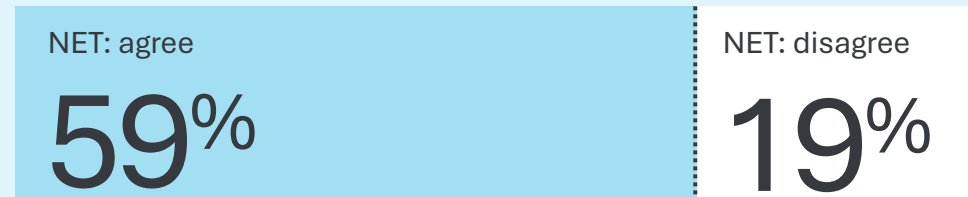
The role of the CEO in driving trust in our business has never been more critical



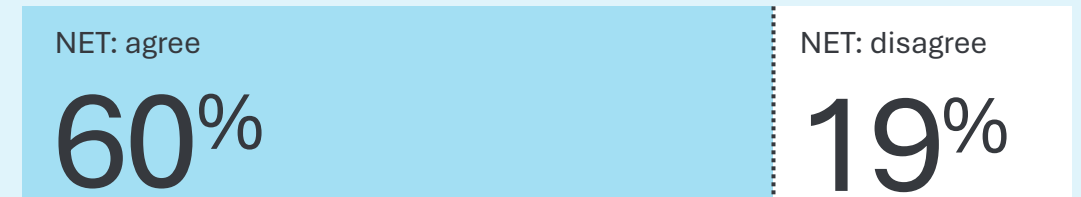
Scrutiny is growing over how our business handles internal issues, e.g. workplace culture or diversity



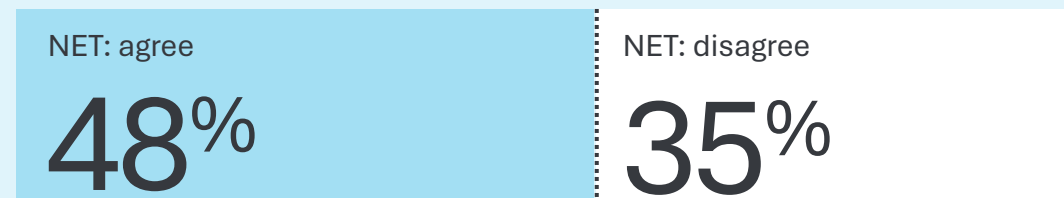
Our stakeholders are demanding more from the CEO on our stance on political and cultural issues



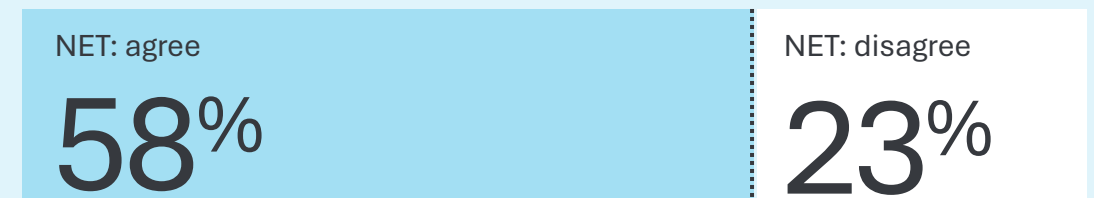
Our stakeholders are more vocal in critiquing our performance



Our stakeholders have conflicting expectations on our values and how we should behave as a business



Our stakeholders are more vocal in critiquing our values

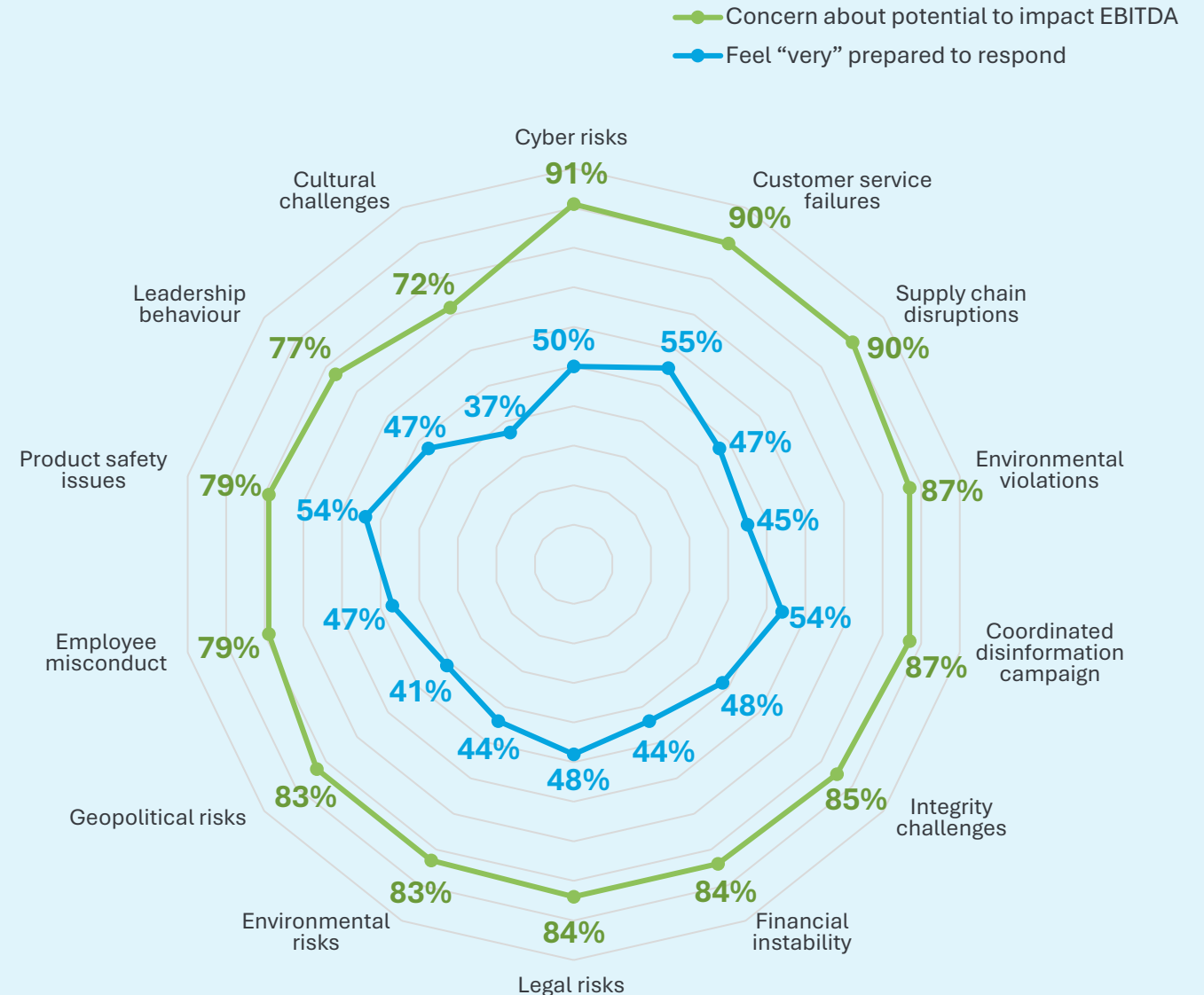


Risks threaten profits, but leadership doesn't feel prepared.

The range of threats to EBITDA is wider than ever before. But, on average, there's a 38-point gap between CEOs concern about a threat and feeling prepared to respond to it.

Despite increased investment and attention to risk management, organisations still face a chasm between their biggest risks and their readiness to respond effectively.

This lack of preparedness leaves businesses exposed, as even minor issues can rapidly escalate and cause lasting reputational damage in the era of compounding crisis.



Actions to consider:



Traditional risk management structures need a refresh

Risks are too complex to siphon into historical siloes. Risk management, business continuity, and operations are vital. But so are communications, political advisory, and investor relations.

Identify and assign critical roles

With so much uncertainty, take control in advance whenever you can to save time and stress once an issue goes 'live'.

Create clear pathways for decision making

You cannot predict all the issues or the context in which they arise, but creating clear frameworks for decision-making, benchmarking potential scenarios, and considering key variables in advance will provide clarity and speed.

Build resilience, reduce Isolation

Appoint a trusted advisor (internal or external) for real-time counsel; an external perspective on the relevant context in which the crisis is occurring; formalize a red-team function to pressure-test decisions.

Tighten board alignment and governance

Agree crisis risk appetite, red lines and spokesperson protocols. Ensure leadership is crisis media trained.

Trait Two

The 'compounding crisis' is the new normal

THE INSIGHTS

Compounding crises intensify threats, with external pressures and internal missteps amplifying reputational risk.

Crises rarely occur in isolation. They emerge simultaneously and can intertwine and interrelate. These 'compounding crises' amplify and pose reputational and commercial threats that are greater than the sum of their parts.

Almost all business leaders (99%) said they've found themselves managing multiple risks or issues simultaneously in the past year.

CEOs recognise the increasingly significant relationship between reputation and profit. 85% of leaders are more focused on reputation management than they were three years ago.

Other factors contribute to compounding crises, too. Slow decision-making and internal forces can allow one issue to roll into another, magnifying the risks from both.

Navigating turmoil is a daily reality.

99%

of business leaders have found themselves managing multiple risks or issues at the same time in the past year

50%

say that happens regularly

39%

feel risks and issues almost always or frequently evolve from isolated problems into more complex, multi-dimensional challenges



Internal fumbles contribute to compounding crises

Internal factors that trigger multi-dimensional crises

51% Delayed decision-making to address the issue

48% Failure to address root causes early on

47% Lack of preparedness to deal with a crisis

44% Mismanagement of issue leading to mistakes that are difficult to correct

43% Delayed communication on the issue, internally or externally

40% Lack of alignment among leadership or key stakeholders

29% Pre-existing reputational issues that resurface

Actions to consider:



Scan for threats and identify risks

FleishmanHillard's proprietary issues tracker can help to identify risks on an ongoing basis. Supplement operational risk assessments with reputational risk assessments.



Embed issues management as everyday business

Establish a team that can easily scale up to give dedicated time to issues early on, to prevent threat escalation.



Foster a culture in which teams raise issues early

Educate teams on the importance of reputation and encourage a culture of reporting and alerting. Empowering teams is the first step in achieving an effective crisis response.



Practice so it becomes muscle memory

Whether it's rehearsing how leaders make decisions on tough issues, how well cross function communication works in a high pressure scenario or experiencing what a crisis simply 'feels' like.

Trait Three

Key risk vectors driving crises to compound and threaten profit

The issues impacting bottom lines more than ever before.

CEOs are concerned that these risks have the largest potential to **severely damage** EBITDA / market capitalisation.



CEOs are concerned about cyber threats. They should be.

The overwhelming majority (91%) of executives are concerned that cyber risks have the potential to severely impact EBITDA. And even then, many business leaders still underestimate the effect these attacks can have on both the operational and financial health of an organisation.

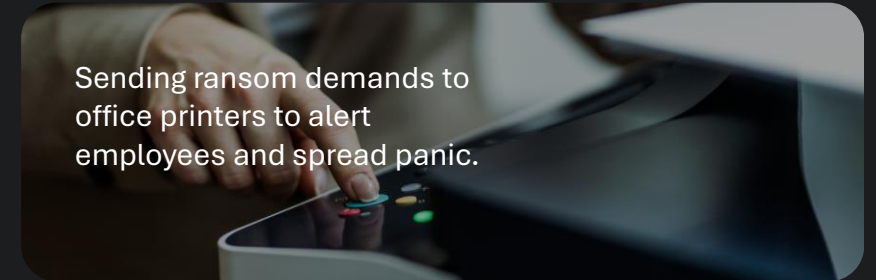
As a partner of choice for the cybersecurity industry, we see a relentless stream of attacks on businesses of all sizes and sectors. The damage can be catastrophic.

Whilst many are better prepared than before, the perpetrators of these attacks are evolving too. In our experience, growing adoption of these techniques enhances the potential damage from a cyber attack:

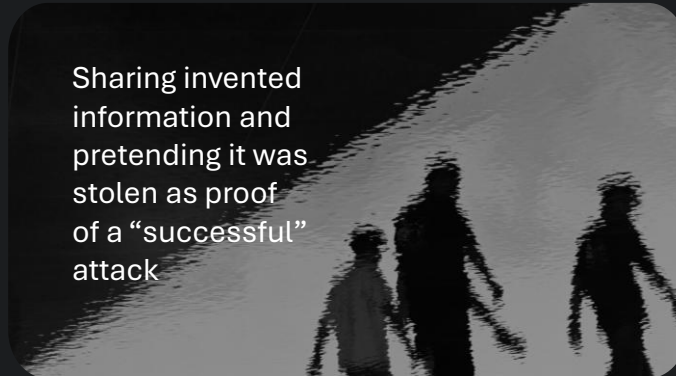
Proactively contacting mainstream media to announce an attack and force business to engage in public.



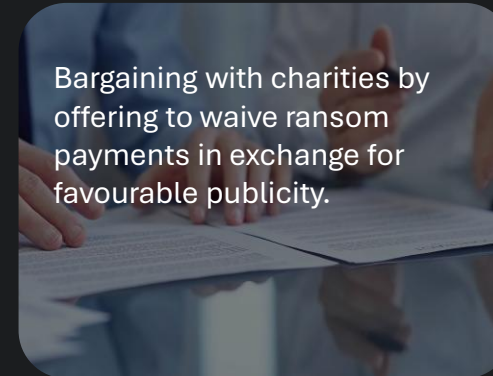
Sending ransom demands to office printers to alert employees and spread panic.



Sharing invented information and pretending it was stolen as proof of a “successful” attack



Bargaining with charities by offering to waive ransom payments in exchange for favourable publicity.



Changing data held by medical institutions to undermine the reliability of patient records.



It is a case of ‘when’, not ‘if’.

Due to a greater frequency of attacks, stakeholders and consumers are more attuned to business responses. They will punish any attempt at cover-up or any lack of candour, and are sceptical of communications that sound like corporate B.S.

Therefore, whilst IT, security and legal experts are essential, operations and communications must define how stakeholders experience the response.

How can leaders better prepare to do this well?

Train leadership teams to understand what a cyber incident is, how they really ‘feel’ and the demands on leadership. Have them practice their role in responding; this will build good muscle memory.

Consider the difficult questions before an incident arises, when the pressure is off. This can force effective and constructive conversations about priorities and values, making you better prepared when the time comes.

Misinformation is present in every crisis.

Disinformation has become a weapon of choice for those in political arenas, normalising the spreading of incorrect facts or entirely falsified information. However, businesses are increasingly the victim of these campaigns too. This is particularly present in the early stages of a crisis when bad actors fill the information void with speculation and falsehoods – either inadvertently (misinformation) – or deliberately (disinformation).

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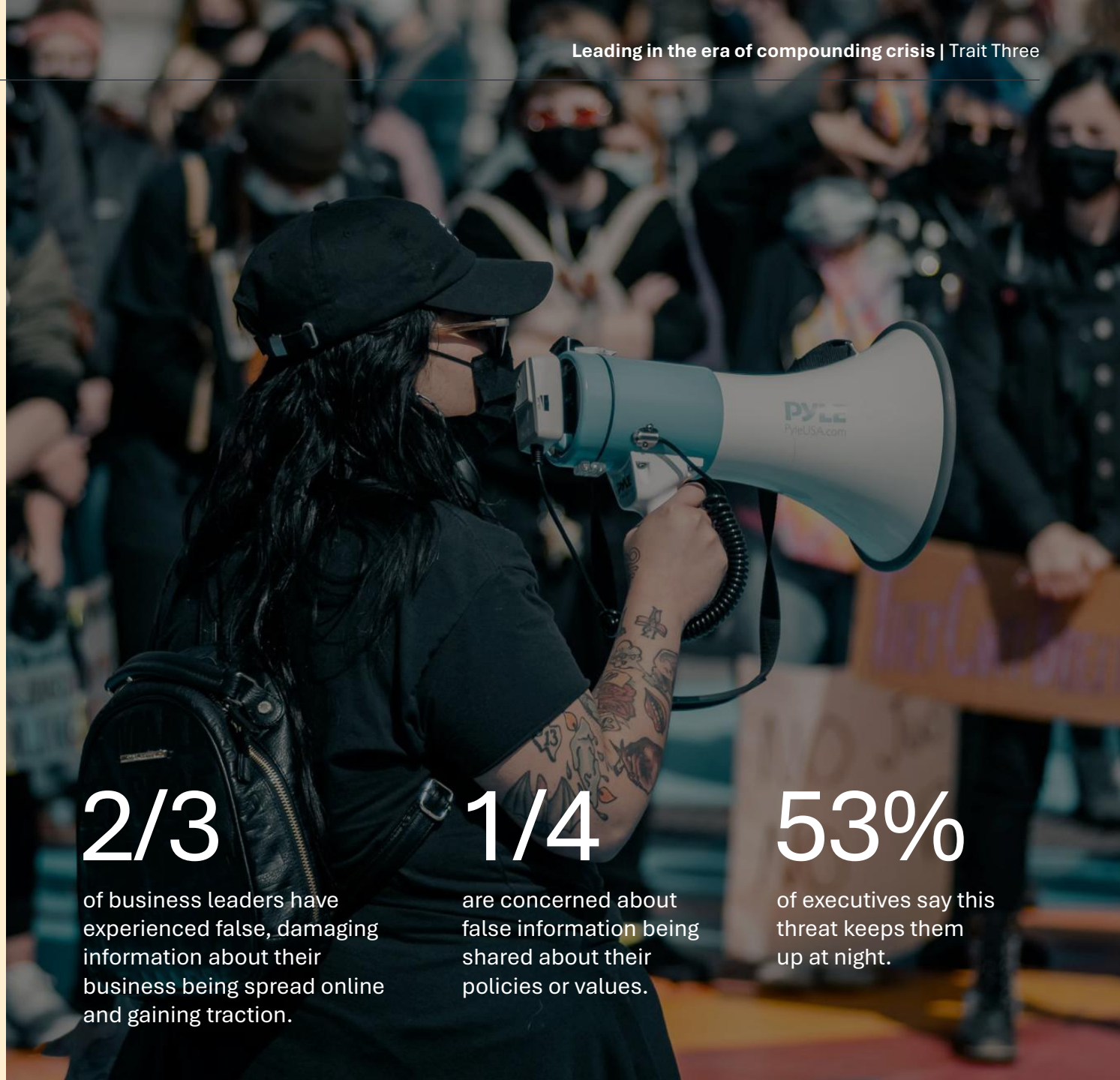
of business leaders have experienced false, damaging information about their business being spread online and gaining traction.

1/4

are concerned about false information being shared about their policies or values.

53%

of executives say this threat keeps them up at night.



CEOs understand the potential of misinformation to wreck their businesses.

CEOs believe these are some of the factors that would be most impacted by an issue or crisis fuelled by misinformation:



Countering the potential impact of misinformation:

Misinformation and disinformation attacks represent an entirely new kind of crisis for business leaders.

These attacks capitalise on moments of crisis to sow confusion and are designed specifically to erode public trust and attack the values of an organisation. Not only that, but they can also make use of AI-generated content to turn lies into facts and weaponise social media algorithms to achieve scale and reach.

Effectively anticipating, mitigating and responding to disinformation attacks requires a proactive management approach combining crisis communications, reputation management and digital expertise.

Five things you can do today to effectively combat disinformation include:

1. **Focus on prevention.** Targeted trust building campaigns and pre-bunking can disarm disinformation early, by inoculating the people you care about.
2. **Invest in robust intelligence tools.** To effectively respond to disinformation, you need to identify it swiftly and assess its potential threat.
3. **Audit your online presence.** To identify potential vulnerabilities to your business and people to disinformation attacks.
4. **Build a bank of trusted messengers.** Your counter-facts and truth will struggle if coming from unknown sources.
5. **Create your single source of truth.** Make it easy for the people you care about to fact-check for themselves.

Geopolitical uncertainty is the new normal.

The rules-based international system, built on stable alliances and shared values, is under pronounced pressure. Companies are dealing with more geopolitical threats than ever. Getting it wrong can turn a challenging landscape into a corporate crisis.

CEOs feel political and geopolitical events could impact relationships with stakeholders (83%) and negatively impact profit (89%).

The disruption is particularly acute for companies with complex global supply chains, where established relationships are now affected by significant tariffs and trade disputes. Companies now face complex and even difficult trading conditions in markets that were previously stable. Meanwhile, consumers are increasingly applying political pressure through purchase decisions.

Effective, nuanced communications are essential to reassure stakeholders and customers.

Geopolitical forces – tariffs, boycotts, protectionism and more – are the new normal.

89%

Political events impact relationships with stakeholders

83%

Geopolitical risks could impact EBITDA/market cap

59%

Do not feel prepared to navigate geopolitical risks

Building crisis communications for the geopolitical landscape

Navigating this new landscape through communication requires a different type of corporate collaboration. Surfacing risks and bringing together all the right decision makers to address them is essential.

Align functions for dynamic decisions:

In many companies, communications, public affairs, legal, risk and other functions operate in siloes on geopolitical issues. High-performing companies are bringing these capabilities together and giving them a platform to inform board-level decisions, both ongoing and particularly during a crisis.

Shape views with global perspective: Defining strategy and engagement on geopolitical issues requires a truly global perspective, yet many companies rely upon a home-market view or a primarily Western-shaped view. That harms the ability to problem-solve effectively and efficiently. Creating decision-making processes that incorporate perspectives from around the world – including understanding the interconnectedness of global issues and their impact across markets – will empower leadership to understand risks and opportunities better.

Lead as a ‘corporate diplomat’:

The CEO is no longer just a business leader; she or he must serve as the ‘corporate diplomat’, adept at navigating geopolitics, trade disputes, regional conflict and other challenges. This requires a sensitive, nuanced understanding of the forces that are shaping markets beyond just financial considerations. Leaders must use this understanding to connect with stakeholders and peers around the world, balance competing interests, and make business decisions based on intangible geopolitical dynamics as much as business interests.

Culture moves faster than businesses.

72%

Cultural missteps have become material threats to profits, with 72% of executives warning they can seriously impact EBITDA. They have seen how culture can outpace business decision-making and adaptability, leaving companies and brands exposed to reputational risk they can't manage.

63%

In this high-stakes context, 63% of leaders are "very concerned" about maintaining an inclusive and equitable culture, underscoring how building and maintaining a wide range of perspectives is essential for effective, nimble decision-making.

1/3

Only a third of business leaders feel "very prepared" to respond to cultural forces, making culture the most acute vulnerability that we tested.

Actions to consider:

Embed cultural foresight to be more agile. When every element of a brand's ecosystem is effectively now a shop window*, even a single misstep can spark backlash across employees, customers and investors.

Without greater cultural preparedness and responsiveness, the cost isn't just reputational, it's a direct hit to trust and EBITDA.

To close the gap between pace of cultural change and business agility, organisations must embed preparedness into everyday operations. By combining AI enhanced tools to real-time monitoring, risk assessment and stakeholder mapping with executive training, employee engagement, and rapid-response playbooks, leaders can anticipate cultural flashpoints before they escalate.



Trouble from within
creates new threats
and magnifies old
ones

Trait Four

THE INSIGHTS

Keep your friends close and your employees closer.

Colleagues have become a primary source of reputational risk, with incidents of misconduct and socio-cultural challenges now among the most likely sparks of a compounding crisis. These events escalate quickly as employee activism and real time channels can amplify internal tensions externally, inviting scrutiny of not just what happened but how the company responds. Today, you need to assume that sending an all-staff email is the same as sending it direct to the press.

Moreover, the “internal” perimeter now includes partners and suppliers.

91%

of leaders say reputational concerns about prospective suppliers are highly impactful in who they work with. Leaders must take responsibility for the actions of their supply chain and partnership network.



Beware the fear culture.

With greater empowerment comes greater risk of dissent – and when it comes to employee engagement, executive behaviour has changed, with leaders increasingly cautious in their public stances to avoid internal backlash:

84%

are making decisions more cautiously to minimize employee backlash

88%

are more focused on carefully managing internal stakeholders to mitigate activism

Crucially, such decisions must be based on insights and data, not fear. And, whilst business leaders are doing more to avoid the risk occurring, only 47% are prepared to manage these risks. This speaks to a culture of fear and hesitation, as opposed to genuine engagement to understand and encourage different perspectives.

79%

79% of leaders say employee misconduct could severely damage profitability, yet only 47% feel very prepared to manage these incidents.

63%

Scrutiny is intensifying: 63% say stakeholders are increasingly critiquing how businesses handle internal issues (e.g., culture).

*“We wish to maintain our hard-earned reputation... we are **conscious of optics.**”*

*“The **company’s reputation** management significantly influences decision-making... **affects brand value and appeal.**”*



Actions to consider:



Ensure your decisions are based on a strong rationale.

Gather intelligence from your Employee Resource Groups, senior leaders, and other internal advocates and channels. Challenge yourself to ensure all relevant perspectives are considered and different contextual elements are captured. Then put in place a system and structure that provides a consistent method for deciding whether to communicate.

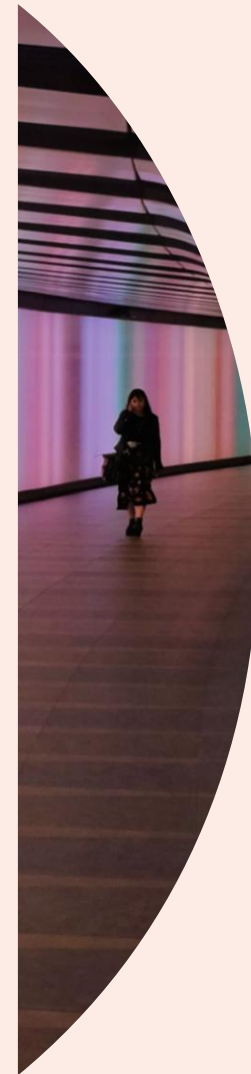
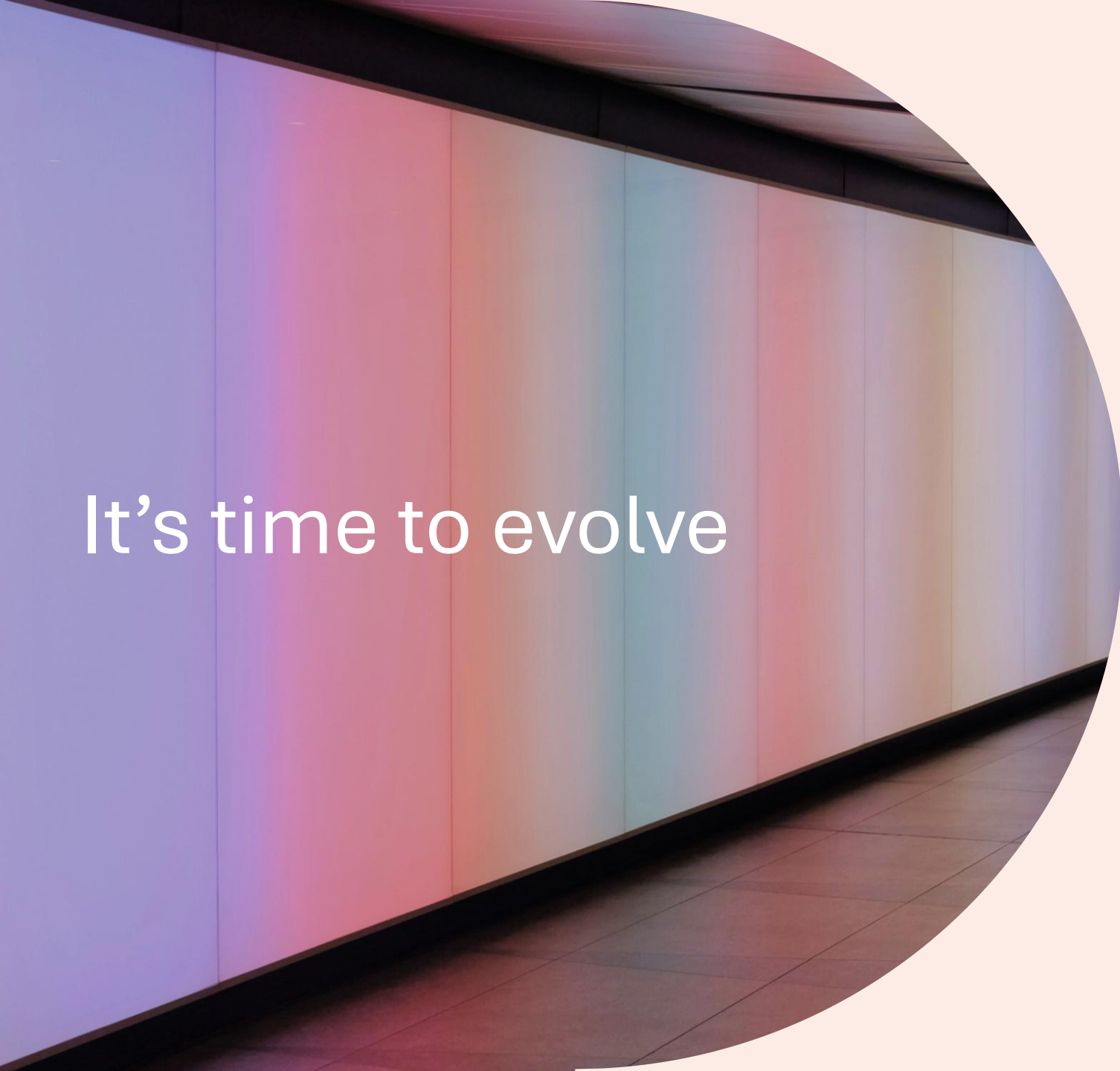
Adopt “employee-first, press-ready” communications.

Assume that internal comms will leak – and plan accordingly.

Conduct due diligence across your network.

Tier your third parties by reputational exposure; require code-of-conduct alignment, initiate media/adverse-news checks, and ongoing monitoring.

It's time to evolve



Succeeding in the era of the ‘compounding crisis’.

To better prepare leaders

- Identify your core, cross-functional decision-makers and assign roles and responsibilities
- Create clear pathways for decision making.
- Strengthen leadership resilience and reduce isolation
- Tighten board alignment and governance

To better manage your risks

- Scan for threats and identify risks
- Accept a new level of issues management as BAU & structure accordingly
- Craft processes and a culture that encourage teams to alert leadership to issues early, not hide them
- Practice so it becomes muscle memory

To ensure you aren’t your greatest threat

- Ensure your decisions are based on a strong rationale.
- Adopt “employee-first, press-ready” communications.
- Conduct due diligence across your network.

About the authors



Hannah Cambridge

Partner & Co-head, Crisis & Issues UK

Hannah is a leading crisis and reputation strategist, trusted by some of the world's largest businesses facing their most critical challenges.

Her experience spans high-stakes issues including fatalities, multi-market product recalls, Public Inquests and Inquiries, coroners' inquests, leadership misconduct, major litigation, regulatory action, DEI matters including gender-based issues, business restructures, white-collar and cyber crime, and sensitive workplace disputes.

Hannah is adept when working at the intersection of communications and legal/regulatory process or government scrutiny, and an ideal partner for a multifunctional response team. She provides pragmatic counsel, with a solutions focussed approach that will address both the immediate and longer term challenges.

Hannah's C-suite advisory work includes supporting CEOs, CFOs, COOs, and other senior leaders through high-pressure situations that not only affect the business, but also their own professional standing.

Her client experience features some of the world's most recognised names, including Johnson & Johnson, SC Johnson, easyJet, Marriott Hotels, British Cycling, Samsung, L'Oreal, Cambridge University as well as leading education institutions, charities, unions, and professional services organisations.

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Nic Daley

Partner & Co-head, Crisis & Issues UK

Nic co-leads FleishmanHillard UK's Issues and Crisis team, spanning crisis preparation, response, and reputation recovery.

He has advised CEOs, Boards and management teams on all manner of corporate and reputational crises: catastrophic incidents involving loss of life, cyber attacks, product withdrawals and recalls, redundancy and restructuring, mis- and dis-information, Public Inquiries, regulatory investigations, employee misconduct, brand attacks, social media storms, and complex litigation.

A former news journalist, Nic has overseen every aspect of crisis communications including news media relations, spokesperson training, employee communications, customer communications, third-party outreach and more.

He has worked across all sectors and industries, advising many global, US and UK (FTSE-listed) organisations on issues and crisis communications. He has also advised charities, trade bodies and NGOs.

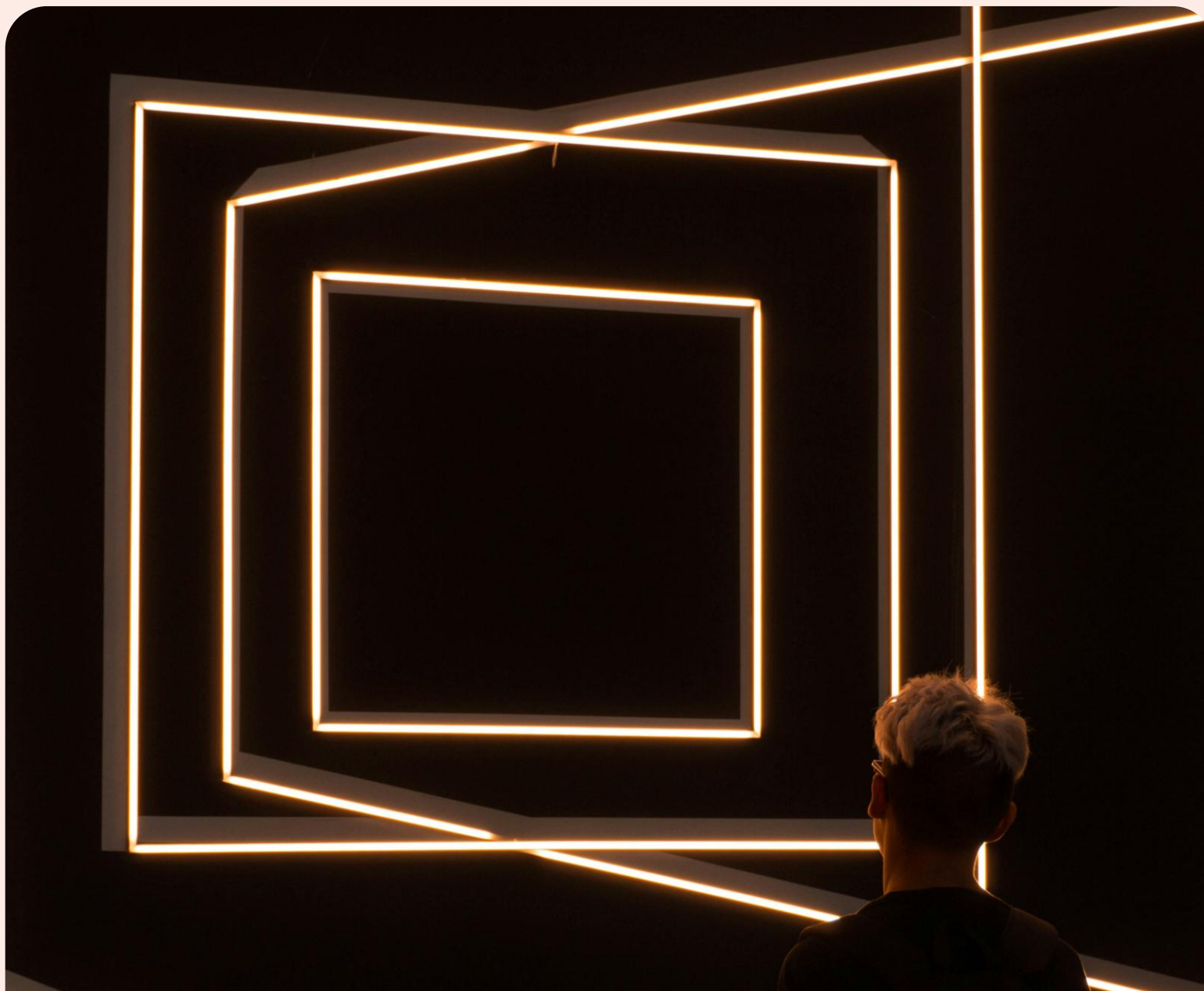
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Methodology

We asked 150 business leaders their views on reputation management

Research methodology

- 10-minute online survey with 150 business leaders in the UK
- Job titles: C-suite / MDs / Heads of Dept / VPs / Directors / Owner / Founder
- Sectors: Multiple
- Business size: 64 under 1000 employees and 86 1000+
- Revenue: All to have revenue of £100mil+





Get in touch

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