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Employee Financial Education in Times of Crisis

Corporate chieftains have a fiduciary responsibility to their respective shareholders. Acts of economic depression due to domestic terrorism, corporate scandal, or industry sector failure has an inverse affect on the exchanges, which creates a flow of capital from the equity markets to the bond markets at exponential speeds. The transition of capital causes adverse conditions in the market, and a corporation's financial statement can change drastically within minutes. Organizations do not necessarily need to be the primary target of attack to endure financial demise. The entire airline sector nearly crippled itself permanently after the 9/11 disaster, and it is questionable if the industry will re-gain permanent ground in the near foreseeable future. In many cases, key corporate leadership takes the position that their respective industries are not targets for threats, and they build their financial models around continued growth. Furthermore, upper level management often takes the opinion that as personal stakeholders, they can preserve balance within the corporation by maintaining their positions in the market during crisis situations.

A component that is often left missing in corporate models is education through the hierarchical structure of shareholders internally to maintain vitality in depressed times. Leadership begins with internal education of the marketplace; planning a logical plan to uphold financial dynamism is critical.

Great business is not built from guessing what profitability will be in the future; nor is the element of surprise left to be determined after a catastrophic event. The primary leadership question should be: "Do you know what Bob Smith in department XYZ will do with his stock in a case of domestic terrorism"? If the answer is "no", then work needs to be done.

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