

CHANGES IN CORPORATE CULTURE:
WOMEN SPEAK UP

Practitioners see a need for changes in organizational cultures. An Ontario, Canada telephone dpr wants a shift from "technology-driven to consumer-driven." A nat'l news media coord wants her Chi nonprofit to become more of a "'cutting-edge' org'n, rather than a 'jump-on-a-safe-bandwagon' org'n." A Boston pr firm vp sees the need for "cultivating an entrepreneurial spirit -- without losing talent & ideas to other companies."

Women, who seemed in the past to conform to established male cultures, are beginning to speak up. One woman in a Tenn. pr firm describes herself as "networking with a conservative older male power structure." Stated more strongly, a pub info dir of a local gov't utility in Calif. vows "to bring old-boy attitudes governing for developers' interests into sync with better community outreach, more ecologically sensitive goals, and a less arrogant political stance."

BIG DROP IN SOCIAL, ENVIRONMENTAL, ENERGY AND CONSUMERISM ISSUES; FUNDING BECOMES MORE COMPETITIVE

Altogether, they add up to only 7.6% of comments -- less than that for mgmt styles alone. Marketplace concentration on the "bottom line" crowds out other considerations. Social issues -- such as civil rights, affirmative action, apartheid, animal rights & education standards -- get 5% of total comments. Major issues of the 70s -- environment (concern about hazardous materials, toxic waste, PCBs), energy (there's no longer a shortage) and consumerism (with no details added) -- account for only 2.6% of comments.

Educational, gov't & nonprofit org'ns are now used to gov't budget cutbacks. They are making more comments about competing with one another for charitable dollars, finding alternative sources of funding, and, as a Houston assoc dir of comms states, "gaining support from a broader, more diversified population."

Cost containment efforts also enter the picture. Or, as a mgr-corp comms of a Hartford insurance co notes, "cost shifting from Medicare to private insurance carriers." Another issue: Some gov't-funded org'ns are losing local control "in face of state centralization trend arising out of need to share fewer dollars," says a Eugene, Ore. dpr.

OTHER PROBLEMS: STATUS OF PROFESSION & ETHICS

Practitioners are feeling the strain of keeping up with competition from marketing experts and the challenges of new technology. "We must become better managers, get past the technician emphasis, and engage in more & better research & evaluation," says an Ore. dpr. And, as is said every year, pr must change "poor public/business perceptions as to what pr is and what pr practitioners are supposed to do."

Ethical problems concern pr firms & ad agencies as well as gov't pio's. A N.J. gov't pr research counselor warns: "The whole question of honesty...the E.F. Hutton, Bank of Boston \$10,000 no-file situations & defense contractor-union 'fixing' are just tip of iceberg situations." An Air Force dpa worries that "against the backdrop of contractor scandals & DOD oversight, convincing the public that we really are trying to halt fraud, waste & abuse" will be difficult.

Practitioners see a troublesome side to the proliferation of new information technology. A San Antonio vp-special svcs refers to the "impersonalization of relationships -- too much automation & computerization of activities & services that should involve greater interpersonal exchange." Other concerns are "security of data bases and threat by potential computer hackers" as well as the international transfer of data.

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TWENTY-FIRST ANNUAL SURVEY OF THE PROFESSION -- PART II

CONCERN WITH MARKETPLACE ROCKETTS, WORRIES ABOUT ECONOMY & GOV'T REMAIN, PUBLIC CONFIDENCE PROBLEM RISES, SOCIAL ISSUES PLUMMET; IMPROVED MGMT STYLE, CORPORATE CULTURES & EMPLOYEE PRODUCTIVITY WANTED

Marketplace issues account for over 30% of all comments to the question: "What are the most important issues/problems facing your organization/industry/major clients?" Concern about the economy -- the leader last year -- dropped to 4th place, overtaken by concern about public confidence (with 12% of comments) and government (11.3%). Rising sharply from last year's concerns are comments about the need for sharper management response to competitive challenges (7.9%) and the need for higher employee motivation & productivity (6.4%).

Effect of Competition on Hospitals, Consumer Product Companies & Others

Hospital practitioners, who are most concerned about marketplace issues, mention: "changing practice patterns -- HMOs, PPOs, IPAs" (Birmingham); "threat of being swallowed up by a for-profit hospital chain" (New England); "inability to respond quickly to competitive challenge" (Orlando). A Cincinnati counselor ponders: "How do our health clients market themselves effectively in this ever-changing market?"

Consumer product cos. notice changing demographics & psychographics in the marketplace. A vp of corp comms refers to "lifestyle changes and good choices of new, young consumers; also preferences of the over-65 group." Such changes among consumers translate into the strategic question of discovering new products & services to offer.

Financial svc cos. also ask, as did a Syracuse vp-pr: "how to find & create new products of profitability in a commercial bank." And a Fla. utility market analyst recognizes "the need to diversify and broaden the organization's own concept of product/service offerings."

Industrials, as stated by a Detroit special projects mgr, worry about "foreign trade policies," and, as an Iowa dpr mentioned, "restrictions in selling in foreign countries." The "unfair, illegal imports flooding the US marketplace" also concern a N.C. vp-pr in a consumer products co.

PUBLIC CONFIDENCE FACTOR ELEVATED

Practitioners made four times more comments this year than last (12% vs. 2.8%) on either public perceptions of their institutions or media treatment. Banks are most concerned. A Columbus vp-pr observes "changing public attitudes toward financial org'ns," and a New Orleans vp-mktg "negative publicity about the industry." A dir-comms in a Toronto financial svcs co. is concerned about "consumer confidence regarding security of deposits."

Others also worry about their image. In education, a Pittsburg dpr worries about "overcoming an old, stodgy image" and a dpa in Albuquerque warns about "changing the public perception of education and demands for greater accountability." In insurance, a Toronto mgr-comms shows concern about the "percep-



tion of the industry as indifferent to the public, slow to react to change, and charging excessive amounts." Needed, says a Hartford vp-corp comm, is "education with regard to rate setting." Among nonprofits, a comty rels dir in Ohio sees the need to "overcome residual stigma about mental health problems."

Mutual Criticism In Media Relations

Antagonism between pr and the media remains a problem. And some, like a Seattle acct exec, fear a "decreasing emphasis in news dep'ts on 'hard news' and less space given for business news." A mgr-corp comms in a Wichita utility asks that the media and the public not "oversimplify problems & solutions and overcome their general reluctance to tackle complicated issues, e.g., by their one-issue focus on almost everything."

PR practitioners must do their part, too. A NYC pr cnslt/writer & former radio producer encourages "the theory that pr people exist not only to serve the needs of their employers but also, when working with the media, to serve their needs as well; more should be learned about the needs & functioning of all the different media."

CONCERNS ABOUT GOVERNMENT AND ECONOMICS LINGER

Insurance cos. list gov't as their greatest concern. Tax legislation is the focus of comments by mgrs of corp comm in St. Paul & Hartford. They mention: "pending legislation regarding taxation" and the possibility of "taxation of employee benefits by Congress." Educational institutions & nonprofits are also concerned about tax reforms and how they will affect charitable giving.

Trade ass'ns, banks, industrials, utilities & hospitals list gov't as their 2nd most important concern. Like last year, most of the comments still

revolve around the issues or regulation, deregulation and reregulation. But there are other concerns. In cities like Raleigh, N.C. and Toronto, there is concern about imports, which add to competitive pressures and raise questions of survival. Problems arising from the federal budget deficit and strong US dollar are also mentioned.

Consumer product cos., pr firms & ad agencies list the economy as their 2nd greatest concern. Altho comments about a "sagging economy," "depressed local economy," or "slow recovery" are fewer than in recent years, they affect clients of pr firms and members of trade ass'ns in such diverse areas as Tulsa, Houston, Atlanta, Louisville, Detroit, Portland, Ore., Vancouver & Cleveland. Related concerns are economic development and repair of infrastructure in cities.

IMPROVEMENTS NEEDED IN MGMT STYLE AND EMPLOYEE PRODUCTIVITY

The ascendancy of these topics is clearly indicated by the high percentage of comments about mgmt (7.9%) and employee rels (6.4% -- up from only 1.2% last year). Many of these relate to marketplace pressures. The prez of a Toronto pr firm speaks of a needed "flexibility to be able to respond in a rapidly, constantly changing environment." A Waterville, Me. hospital dir-corp comms sees the "need to reorganize for more rapid development of new opportunities & product services."

A NYC sr vp-mktg speaks of the need to "instill 'vision' in our leadership." Most comments about employees refer to needed increases in productivity; e.g., an adv'g dir for a transportation ass'n relates this to "maintaining a competitive position."

Survey

1985's MOST IMPORTANT ISSUES/PROBLEMS BY INDUSTRY

Issue	No. of Comments	% of Comments	Industry Group with Top & Next-to-Top % of Mentions	% of Mentions in Industry Group
MARKETPLACE: Increase in Domestic & Foreign Competition, Product Quality	558	30.6	Hospitals	44.7
			Consumer Product Cos.	42.7
PUBLIC CONFIDENCE: Public Image, Media Rels	219	12.0	Banks	20.0
			Education	15.7
GOVERNMENT: Deregulation/Regulation, Taxation	207	11.3	Insurance	35.6
			Other Fin'l Svcs	33.3
ECONOMY: Deficit, Tax Reform, Infrastructure	145	7.9	Ad Agencies (PR Sect.)	13.8
			PR Firms	13.5
MANAGEMENT STYLE/CORPORATE CULTURE	145	7.9	Government	13.5
			PR Firms	9.9
EMPLOYEE RELATIONS: Motivation/Productivity	116	6.4	Industrials	12.2
			PR Firms	9.6
FUNDING/BUDGET CUTBACKS: Competition, New Sources	110	6.0	Education	25.4
			Other Nonprofits	17.1
COST CONTAINMENT: Cost Shifting	47	2.6	Hospitals	15.6
			Insurance	6.7
MAJOR ISSUES:			Other Nonprofit	9.8
			Social Issues	5.6
			Environment/Land Use	5.6
			Education Standards	15.4
			Consumerism	3.6
			Energy	2.4
*OTHER ISSUES:			Public Relations Profession	8.5
			Technology	25.0
			Demographics	7.1
			Special Interest Groups	3.3
			Misc.	
			TOTAL	1826

*REALM OF SOCIAL ISSUES & TRENDS MENTIONED...BUT NOT MUCH

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|------------------------------|--------------------------------------|---------------------|------------------------------|
| a) Civil rights | d) Crime -- fear of coming into town | g) Avoidance of war | j) Equal access to education |
| b) Minority tchr recruitment | e) Terrorism | h) Apartheid | k) Anti-veteran prejudices |
| c) Educ reform | f) Hunger | i) Animal rights | |

Media Rel.

Gov't