

While 60+% are concerned or very concerned about negative cyberspace info about their companies, fewer than 11% monitor the Net to keep abreast of what is being said. "I wasn't surprised that most of the CEOs are concerned," H&K pres Tom Hoog told *pr*. "But the second part of the survey shows that for whatever reason, they're not doing a lot about it." Two other key findings:

- **Most believe Internet impact is benign.** Tho most are concerned about the impact, 50% believe it does not affect their corporate reputations & 46% believe it has a positive impact on how their companies are viewed.
- **Compared to last year, more CEOs measure corporate reputation.** This figure nearly doubled, from 19% to 37%, since last year. "These numbers reflect the growing interest in assessing corporate image & establishing a reputation benchmark," says Harlan Teller, exec mng dir, H&K's US Corporate Practice. "With interest peaking, it is now time for these companies to develop a sound strategy for managing their reputations."

PR can help by 1) conducting issues anticipation programs, 2) monitoring Internet media and 3) devising a crisis prevention plan & putting it in place. "I think we have to convince companies that they have to have a strategy," says Hoog. "Part of our role is to do that for them, and prepare them to do it for themselves, in-house." Questionnaires went to CEOs & sr mgrs, subscribers to *Chief Executive* magazine. Responses came from nearly 600. (More from Hoog, H&K, 466 Lexington Ave, NYC 10017; 212/885-0500; www.hillandknowlton.com)

¶ **OF RELATED INTEREST: Managing Reputation in Cyberspace** is the topic of a briefing from IPR/PRCA Internet Commission (UK). Briefing alludes to the concept of the Internet as having its own, virtual society made up of Net communities, brought together thru interest in a specific issue. "In this respect, it follows the concepts proposed by Grunig in the 1980s, but is quite specific in how pr can be applied beyond the promotion of websites and E-commerce." (Copies from Debra Amphlett at debra@hawksmere.co.uk.)

CEO LARRY BOSSIDY, RETIRING, LEAVES A TRAINING LEGACY

AlliedSignal bought Honeywell (then adopted the latter name) & the Allied CEO who used training to turn a company around is retiring. **2% of payroll is spent on employee training each year!** "It's a way to show a work force some dignity & some respect," he says. Classes are not optional – & workers are expected to learn "something they can use" on the job. Major benefit: developing leaders from within, good for both employees & company. In '91, only 20% of job openings could be filled internally. Now it's 60-70%. Before he took over, Allied was considered ready to breakup.

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Margaret Hennen (svp-pr Fortis Fin'l Grp, Mpls) receives Donald G. Padilla Community Classic Award from Minn/PRSA for service to the community.

DIED. Fleishman-Hillard co-founder Bob Hillard, 82. Since its St. Louis beginnings in '46, firm has grown to 45 offices & 1900 employees around the world. After Navy

service in WWII, then-reporter Hillard met Al Fleishman when covering the civil courts where Fleishman was deputy clerk. Anheuser-Busch was the new firm's second client. Said he entered pr because poor com'ns "separated mgmt from employees & led to misunderstanding, conflicts, strikes.... If people got to know each other, they could solve many of their problems."

21ST CENTURY NOT INFO AGE BUT INNOVATION AGE, FINDS BIZ SCHOOL DEAN – & PR IS ESSENTIAL TO SUPPORT INNOVATION & THE NEW ORGANIZATIONAL FORMS THAT ENCOURAGE IT

Even while the cyber revolution is just getting started, a new revolution is emerging – and will surpass it, says Raymond Miles, former dean, Haas School of Biz, U Cal-Berkeley. This new wave is indebted to the info revolution & fueled by the Internet & other forces which globalize information access & tech transfer, thus making innovation more available & less expensive. But computers, the Net et al are just tools. Innovations – in every field – are what these tools produce, & that is the new & real revolution.

But there are barriers – & that's where pr has a vital role:

1. **Innovation** depends on knowledge creation & transfer – requiring clear communication
2. Knowledge creation & transfer nearly always require **collaboration** – a voluntary process, which cannot be hierarchically imposed but becomes an element of organizational culture
3. **New organizational models** that promote collaboration need to be instilled – a profound change project in which pr must be even more a leading factor than in previous change

Conditions for Collaboration = The 3 Ts

- **Time** – to build *relationships*, to "playfully" consider ideas etc
- **Trust** – built by example, culture, *relationships*. Requires investment
- **Territory** – belonging, ownership, a sense of place. A prerequisite for voluntary action (essential for innovation)

But the 3 Ts Were Victims of the Last Revolution

- Organizations are lean, but workers have little time to think or interact
- Workers have little sense of ownership of their jobs or their place in the organization
- Workers are responsible for their own futures, but have little reason to trust their organization or one another

TO SURVIVE, ORG'NS MUST CHANGE STRUCTURE, THINKING & PR'S ROLE

Pressures for short-term results inhibit efforts to focus on longer run knowledge utilization. Thus, expenditures to create conditions for innovation are seen as expenses, rather than investments.

- The type of broad entrepreneurship needed for innovation demands a strategic vision that is fully understood at all levels



■ This is a typical responsibility of pr – which must be given broader scope in the Innovation Revolution because it must engineer 2 essential outcomes:

1. **Internally:** Creating a common, well understood, strategic intent
2. **Externally:** Creating & projecting an (honest) reputation of trustworthiness

4 PR TASKS TO ENGENDER THE NEW META-CAPABILITY OF COLLABORATION

1. **Help make explicit a strategic understanding**, to guide voluntary coordination & widespread entrepreneurship – i.e. engage everyone in the strategic direction
2. **Teach stakeholders (particularly stockholders) a new investment philosophy**, to build the conditions that support internal & external collaboration
3. **Illustrate & describe how real partnerships work:** by building trust that leads to protocol-guided (not hierarchically-guided) voluntary knowledge creation & transfer ... which is the basis of collaboration ... & leads to innovation
4. **Describe & make explicit what collaboration is**, & make it teachable, widespread, commonplace – pr’s training & education skill set

The bottom line is pr must help organizations move beyond hierarchy to collaboration. E-firms are showing the way here. And often the first person hired in cyber startups is the dpr. Most organizations, in all fields, are a long way from this vision.

Some Old Economy org’s are trying. Miles cites GE, Johnson & Johnson, Hewlett-Packard where pr helped exploit a meta-capability of delegation – a step toward collaboration. PR is helping Xerox capitalize on customer collaboration & venture capital innovations. Other techniques being used are: *cross-functional teams*, an attempt to break down silos; & *intrapreneurship*, an attempt to stimulate out-of-the-box ideas.

Miles sees far more use of alliances & partnerships, plus using techniques like tracking stocks (in which a company doesn’t spin off a product or service line, just sets up a separate bookkeeping mechanism independent from the company without giving up any ownership). These are collaborative activities. (More from prr or Miles – miles@haas.berkeley.edu)

ARE SEMANTICS A BARRIER TO INCLUSIVITY? IT’S A PR ISSUE

The most organizations try hard to reflect society & their marketplaces – & often are the role models for society as a whole – the issue formerly known as “diversity” sometimes seems unsolvable. Certainly race as a political issue is not dead. Is one of pr’s major tools, semantics, part of the problem?

At best, the language used now to describe various groups is wildly imprecise. For instance:

■ **African-American** (& should it have a hyphen or not?): Commonly used now to denote blacks. But does it include Algerians & Moroccans? Whites who’ve been in Kenya, Rhodesia & South Africa for many generations? Arab peoples from East Africa? Denotative accuracy would include them all – so does the term foster inclusivity by avoiding denigrated terms like black (capped or not?) & Negro? Or is it divisive by leaving out others with legitimate claims?

■ **American itself:** As used in the US, this may be the worst offender – the US has appropriated the name. Aren’t Canadians also Americans? How about Brazilians or Hondurans? The latter can be resolved by adding the adjectives South or Central. But is there a politician or activist in the US that isn’t constantly referring to “the American way of life”? All this divisive confusion for a land mass named after either an Italian (Amerigo Vespucci) or an Englishman from Bristol (Richard Amerike). Yet “residents of the US” is far too clumsy to catch on

■ **Native American** is another quagmire. Anyone born between Hudson Bay & Cape Horn qualifies, yet we use it for a group more accurately described as First Americans. “Indians” still persists – tho it was assigned to this group by Europeans who thought they’d discovered India or the Spice Islands (East India) & so is not liked by some tribes. Besides, if we use that term for the first known people on the vast American continents, what then do we call people from the Indian subcontinent of Asia? Often, attempting to be precise, we call them East Indians – but that term really belongs to those from Indonesia (formerly Dutch East India). [*Could we just assign everybody numbers?*]

Designating people as “white” is equally erroneous. The great French conductor Pierre Monteux liked to try ethnic cuisine & while in the Southern US heard about soul food. So after the concert he was directed to a restaurant & went there. The owner, a music lover, recognized him. “Maestro,” he implored, “this place is for colored.” “I am colored,” replied Monteux. “I’m pink. Now where may I sit?”

■ **Asian-American & Pacific Islander** seem less divisive – tho precision demands the former include folks of Asian descent (including Indians, Indonesians et al) living in North, Central & South America. In fact, the term generally is used to describe Chinese, Japanese, Korean, Vietnamese & their neighbors with “Oriental” physical features now in the US. And many Caucasians & Orientals have been in Polynesia & Micronesia for generations – so are they, too, Pacific Islanders?

How far back in a group’s history do we go in assigning names? The Huns that settled Germanic Europe were Orientals once. Peoples move – and in our attempts to apply names that will unite, unintentionally we may also divide.

WE NEED TO PUT LANGUAGE IN THE SERVICE OF INCLUSIVITY

Practitioners can begin by using that term to replace diversity. “Diversity” itself is a divider, implying you are different than me (note the suffix “di”). It almost implies one group is tolerating another. Inclusivity’s meaning is clear & unambiguous – “everybody come!”

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STUDY FINDS CEOs NERVOUS ABOUT HOW INTERNET IMPACTS REPUTATION, BUT CLUELESS ABOUT HOW TO ADDRESS ISSUE

A Yankelovich/Hill & Knowlton study points to new opportunities for pr – assisting CEOs in dealing with Internet slams & rumors. It finds that while corporate chiefs are acknowledging the Internet’s impact on reputation, less than half have a strategy in place for managing the issue.