

Understanding the *components* that make up a respondent's overall feeling about an organization is key to building effective strategic plans. (For a summary of Grunig/Hon research see [pr](#) 4/29 & 10/11/99 or go to www.instituteforpr.com, download "Guidelines for Measuring Relationships in PR")

1ST UNIVERSITY TO WIN BALDRIDGE AWARD, PR PLAYS VITAL ROLE

U. of Wisconsin – Stout is now a "national model," the first university to win the Malcolm Baldrige National Quality Award (see also [pr](#) 5/13). It was a "long process" that involved "extremely hard work," John Enger, exec dir of university rels, told [pr](#). But the result is "well worth the effort."

Process involves submitting a 50-page application and receiving back a 50-page critique – "showing us where we need to improve. You don't usually get the award your first year. One company applied eleven times." UW-Stout made three applications. Senior staff members at the school, Enger among them, were involved. "I was interviewed by the hearing examiners on campus to talk about community and government relations and the role my office plays in the support of the institution."

"The application and review process for the award is the best, most cost-effective and comprehensive business health audit you can get," says Arnold Weimerskirch, former Baldrige judge and vp of quality for Honeywell. Award categories include manufacturing, service, small business and, added in 1999, education and healthcare. **For many organizations, using the Baldrige criteria results in better employee relations, higher productivity and greater customer satisfaction.** "We've had students tell us they landed jobs because the award is on their resume," Enger told [pr](#).

UW-STOUT'S ACHIEVEMENTS IN SEVEN KEY AREAS:

- **Leadership:** Chancellor's Advisory Council was formed to guide the organization. 19-member group includes students, faculty, academic staff, classified staff and administration.
- **Strategic planning:** Implemented a comprehensive annual planning process that aligns campus priorities with the allocation of resources.
- **Student, stakeholder and market focus:** Conducts numerous surveys to determine expectations and satisfaction levels of students and key stakeholders, as well as annual surveys of alumni, outside employers and the Board of Regents.
- **Information and analysis:** Implemented a "relational database" called Datatel. It's an integrated information system that provides faculty and staff with widespread access to data. Committees, councils and taskforces base their decisions on this information.
- **Faculty and staff focus:** All faculty and staff are involved in committees, councils and taskforces that cut across departments, colleges and divisions.
- **Process management:** Implemented systematic processes for the design, implementation and review of academic programs and support services.
- **Organizational performance results:** Tracks progress on all key student indicators – retention rates, placement rates, satisfaction with programs and services. Financial results and employee info are also maintained to determine trends and patterns. Comparisons are made with peer institutions. (More info from Enger at 715/232-2381 or engerj@uwstout.edu)

RESPONSIBLE REACTION TO HIGHLY DAMAGING SITUATION GAINS KUDOS FOR CHOCOLATE INDUSTRY, SOLVES PROBLEMS

Nike's and Kathie Lee's experiences with labor issues signaled for all organizations – global or otherwise – the need for 1) careful review of all aspects of the operation for potentially damaging activities, and 2) a more forthcoming response to identified problems. The world's chocolate industry has taken note of the latter as they deal with their own "slave" labor issue.

Two years ago, Kevin Bales, author of *Disposable People: New Slavery and the Global Economy*, and director of Free the Slaves (FTS) – the Washington, DC, wing of the London-based Anti-Slavery International – brought a film crew into Africa. While there, the crew found that 19 young men had escaped enslavement from a cocoa farm and the report became part of their film. "The documentary was shown September 2000 in Great Britain. **It launched a press inquiry – the industry had to respond.**"

REVERBERATIONS FELT ON THE GROCERY STORE SHELVES

despair. In England, execs from Nestle, British Cake, Chocolate and Confectioners Ass'n, Cadbury and Roundtree Candies met to decide what to do. Many news reports expressed cynicism, suspected that the company big shots knew what was going on. "I honestly don't think they did. I am one of the leading experts on human slavery and this was a new one to me. They really were in shock," believes Bales.

"The chocolate industry was shocked by this," says Bales. As is often the response to bad news, there was denial, followed by confusion, anger and

"We need to be permanently concerned with where cocoa comes from, the impact of cocoa on the environment, and how the workers are treated," Larry Graham, pres, the Chocolate Manufacturers Ass'n, told Knight Ridder. **"That's where the industry has changed, permanently and forever."**

In the US, the chocolate companies **took the news very seriously and decided to take action. Their response, says Bales, is unprecedented.** "Historically, companies would look at this and say, 'well this is happening in a foreign country, what can we do? If we don't buy from them, someone else will and we'll go out of business.' But the American chocolate industry didn't say that. They said, 'this is a serious matter. We have to do the right thing.'"

THE PROCESS OF RESPONDING

Despite the industry's good intentions, it was several months before a plan was put forth. **"It is a process, not an event.** It took quite a few months." Execs had to be made to understand that FTS wasn't attacking their industry, rather, "we were attacking *slavery* and asking them to join us, to look at this matter and see what their responsibilities are." Bales said **it was imperative to get all of the companies "singing from the same song sheet."** Added impetus:



- **Legislation.** Senator Tom Harkin (D-Iowa) and Representative Eliot Engel (D-NY) wanted to put forward an amendment to a bill that, if passed, would have created chaos, says Bales. The amendment called for candy manufacturers to label products as free of child and slave labor. "This would have been impossible to achieve because there was no inspection system in place – it would have had a disastrous effect. **But it helped everyone focus.**"
- **Stakeholders** – chocolate manufacturers ass'n, World Cocoa Foundation, Hershey's, M&M Mars, Nestles, and other companies as well as UN representatives, gov't officials from the US and the Ivory Coast, NGOs, other anti-slavery organizations – all sat down to hammer out a protocol. "The protocol has some pr angles around it." The goal was to try to eradicate slavery on cocoa farms without administering a fatal shock to the industry. "They're doing a really good thing."

The industry is taking responsibility, notes Bales. It will spend millions to finance:

- **Independent research** (industry funded but *not* controlled) began last October to determine the extent of the problem. Research teams were dispatched to the fields, surveying farms to ensure that crop is not picked by child slaves. "We should have results by month's end."
- **A charitable foundation** that will work with child labor specialists and local advocacy groups on the Ivory Coast to improve labor practices and ensure compliance. "It will support other projects for the liberation of child laborers and all slaves."
- **An inspection and verification system.** "We have a model already in place – the rug mark which appears on hand woven rugs." Bales says an independent inspection guarantees that a rug with the mark was not woven by a child slave. He's not sure yet how this "mark" could be applied to cocoa.

"Now we can go to other industries that may fall prey to the same dilemma and help them before they have a pr problem," says Bales. "We will put the word out that we can help them with their problem before it becomes a crisis."

¶ **Of Related Interest:** Nike can be sued over its corporate policy statements, says the California Supreme Court in a 4-3 vote, according to an article in the May 3 issue of *The Recorder* – "Corporate PR Campaigns Lose Speech Protection" by Mike McKee.

The court ruled that companies can be sued for false advertising over policy statements made in public relations campaigns. Statements by the Oregon-based shoemaker denying allegations that some overseas factories are sweatshops were a form of commercial speech not protected by the First Amendment. "Because in the statements at issue here Nike was acting as a commercial speaker, because its intended audience was primarily the buyers of its products and because the statements consisted of factual representations about its own business operations, we conclude that the statements were commercial speech for purposes of applying state laws designed to prevent false advertising and other forms of commercial deception," wrote Justice Joyce Kennard. The court's ruling did not decide whether Nike's ads were false or misleading.

"Every company is going to have to meet the standard now. If you're going to put statements out about corporate policies, you're going to have to tell the truth," says Alan Caplan, one of the plaintiff's lead attorneys. (Full text of article from www.law.com, type in "Nike" in the Search area)

PUBLICITY SKEWED

Bales says the story should be that this is a historic breakthrough – an industry is informed of a problem and collectively takes big steps to fix it. Instead, the play has been "slaves made the chocolate." "The story that's going out, unfortunately, is the original story, not that the industry is taking responsibility."

For its part, the industry itself has to decide how they want to go about putting the word out to their stakeholders. "They have to decide how much they want to publicize it, or how, because the bottom line is that something truly horrible was going on. And now they're trying to correct it." (More info from Bales at 866/324-FREE or visit www.freetheslaves.net)

WEALTH OF UNDERSTANDING IS GAINED BY MEASURING "TRUST" THROUGH ITS INDIVIDUAL COMPONENTS

Asking stakeholder groups about trust in our organizations has been a mainstay of public relations research for years. Jim Grunig and Linda Hon have dissected the elements of trust to show that measurement must focus on these individual pieces in order to gain a more precise pinpoint on how stakeholders feel.

A PRACTICAL APPLICATION OF GRUNIG/HON'S TRUST RESEARCH

In one of the first "on the ground studies" prr has seen using this research, "trust" takes on a whole new meaning. In 2000, Florida Municipal Power

Association (FMPA, Orlando) surveyed its members about trust levels. It asked a single question: "I believe that FMPA takes my utility's interest into account in making decisions. Do you strongly agree, somewhat agree, neither, somewhat disagree, strongly disagree." 53% strongly agreed, 26% somewhat agreed, 16% said neither.

In 2002, FMPA once again wanted to measure trust, but this time **using Grunig-Hon's three components to more precisely define "trust"**: 1) **Integrity** – belief an organization is fair and just, 2) **Competence** – belief an organization *has the ability to do* what it says it will do, and 3) **Dependability** – belief an organization *will do* what it says it will do.

While the dimensions of "integrity" and "dependability" in the 2002 study ranked higher than the 2000 findings, the "competence" component matched 2000 data. FMPA found that though trust overall was high in the organization, confidence in its staff's skills was an area for improvement.

The research also measured "controlled mutuality" – the degree to which parties in a relationship are satisfied with the amount of control they have over the relationship. To determine this, it asked respondents if they believe there is "balance in the relationship" between FMPA and their own organization. FMPA rated high in controlled mutuality – stakeholders feel an equal partnership with FMPA. This close-up look at another dimension of the relationship never would have been identified with a simple "Do you trust FMPA?"

"When we did the survey in 2000, we had *one* question on trust. The numbers we got from the research showed it needed work. **Now, looking at the *three* elements, we can see that 'competence' is driving trust and we can recommend ways to better demonstrate our skills," Mark McCain, pr/pa mgr at FMPA, told prr.**