

There is also a broader social responsibility of business that is less likely to benefit a specific company directly: **by supporting the family, it engenders the honesty and trust upon which a well-functioning market economy depends.** “Unless we obey the rules of the game most of the time, even when the umpire is not looking, the market game quickly ceases to be worth playing.” It is the family that, by providing “the feelings of affection, respect and care for others, reinforces honesty and trust.” These values are not free gifts of nature, says Waterman, “They are scarce goods; and they are produced within the family.” Taking a broad view, Waterman repeated to pr what he said in his book review: “*The health – perhaps even viability – of the market society depends upon a continuing supply of human beings in whom have been nurtured those moral, intellectual and social qualities necessary for a high-quality workforce and a stable social order.*” (For guidelines on building a family-friendly flexible workplace, see this week’s t&t.)

ITEMS OF INTEREST TO PROFESSIONALS

- ¶ **Innoveillance** – surreptitiously videotaping how people use a company’s products – shows how products can be redesigned and marketed differently. A medical device company did this to learn how nurses actually used its prototype drug delivery system. It discovered the shortcuts nurses would take to make the system work and at what points they would ask for help or simply give up. Hospital administrators gave permission for this “spying,” but it’s another case of invasion of employee privacy. The basic principle remains, however, as stated by Michael Schrage in the May issue of *Technology Review*: “The ability to intelligently discriminate between how people actually behave and how they are supposed to behave is critical to understanding how ideas spread.”
- ¶ **Corporate Social Responsibility (CSR) has increased in strategic importance** since 9/11, according to studies by Echo Research. Other events have also affected CSR: the Enron collapse and the rise of demonstrations against globalization at international meetings. Other findings:
 - a) “ethical investment” – investment based on a corporation’s social and environmental bottom line – crossed all boundaries and is growing in prominence; b) media interest in ethical investment climbed steadily between the beginning of 2000 and the start of 2002, with a year on year growth of 92%; c) companies most admired for CSR efforts in the 2001-2002 study are Ford (for its “time budget” program that encourages employees to devote time to CSR activity), BP (for its social reporting system that is integral to the company’s business), IBM and GlaxoSmithKline; d) media coverage of CSR increased by 52% over the previous year. (More from www.echoResearch.com)

WHO’S WHO IN PUBLIC RELATIONS

ELECTED. IABC 2002-2003: chair, Annette Martell (Mercer Human Resource Consulting, Toronto); Research Foundation chair, Warren

Bickford (exec dir of com’ns & public education, Justice and Corrections and Public Safety Dep’ts of the Gov’t of Saskatchewan).

NOTICE TO OUR READERS

Following our tradition, pr reporter will not be published next week to allow our printer and members of our staff a well-deserved break.

DELIVER CUSTOMER DELIGHT TO SURVIVE UPS AND DOWNS OF MARKET; TIPS FROM BEHAVIORAL SCIENCES AND OTHER EXPERTS

■ **Corporate culture absolutely affects an employee’s performance and thus customer level of delight**, says Caroline Fisher, PhD, Fisher Consulting. CEO’s consider reshaping corporate culture and employee behavior the second most important CEO priority, second only to setting corporate vision and strategy, according to Price Waterhouse Coopers. Fisher reviews four proven premises that show culture matters:

- 1) Business cultures based in strongly shared values produce **higher commitment, self-confidence, ethical behavior and reduced job stress** (Posner, Kouzes & Schmidt, 1985)
- 2) Organizations with strong cultures generate an almost intangible social force field of **energy that empowers employees** (Mitroff & Kilman, 1984; Pascale, 1985)
- 3) Culture can drive **goal alignment** that is the force behind continued success in American business (Deal & Kennedy, 1982)
- 4) Firms that emphasize key constituencies (customers, stockholders and employees) and multi-level leadership **outperformed others over an 11 year period.** (*Corporate Culture and Performance* by Kotter, Heskett)

Evidence is rampant around us of the validity of these findings. Wal-Mart was a prime example of how it was done. But since the death of Sam Walton – the patriarch of the organization who generated a culture of fairness and trust for his employees that spilled into customer service – even Wal-Mart has suffered. Fortune Mag (March 25) identifies **three employee-related reasons for Wal-Mart’s decline**:

- 1) Its traditional employee – rural southern without many other options – is different from the urban market employee who won’t accept lower wages and changing shifts (*a very different culture type*)
- 2) Lack of human contact between day shift management and afternoon & evening shifts who do majority of work
- 3) Cost cutting tactics are paramount in market niche where growth is difficult and share price is under constant pressure

■ **Insights into how behavioral science knowledge can help to improve customer delight** is offered by Richard Chase & Sriram Dasu in *Harvard Business Review* June 2001, “Want to Perfect Your Company Service? Use Behavioral Sciences.” Article looks at behavioral science research and applies the findings to the interactions between customer service managers and their customers:

- 1) **Finish strong.** Customers remember the ending much more than beginning or middle of an encounter. Also preference is for improvement at the end of an encounter. Customers will forgive poor starts if the end of the experience is improved. “We’d guess that airlines could make up some ground if they paid more attention to their customers’ last encounter – baggage collection.”
- 2) **Get the bad experiences out of the way early.** Research shows that people prefer to get undesirable events out of the way first (to avoid prolonged dread) and have the end be positive (to savor it).
- 3) **Segment the pleasure, combine the pain.** Problems should be clumped together and shared one time; pleasant experiences should come multiple times. Experiences seem longer when broken into segments. From the customer’s point of view, two 90-second rides at a Disney theme park last longer than one three-minute ride.
- 4) **Build commitment through choice.** People are happier and more comfortable when they believe they have some control over a process, particularly an uncomfortable one.
- 5) **Give people rituals and stick to them.** People find comfort, order and meaning in repetitive familiar activities. Changing them becomes a triggering event that can cause customers to reconsider choices.

An example of getting the bad experience out of the way early:
 Scheduled to take a short cruise to relieve winter doldrums, this editor and family looked forward to one particular port among those scheduled. After arriving at the terminal but before boarding (packed and ready to go) the **cruise line got the bad news out early**, telling us that the particular port had a problem and we wouldn’t be going there. Disappointment was great but armed with a token credit on our cruise charge, a sumptuous lunch, music, sun and the excitement of departure, the disappointment quickly vanished.

■ **Hiring the right person can greatly enhance or destroy the customer service experience**, advise Ken Banks & Terri Kabachnick, of Totalbrand Integrations (Largo Florida). But who is the right person? The store’s culture must be the guideline for hiring so employees personify it. “Retailers must be sure the DNA of their store brand is reflected in every person they hire.”

Totalbrand’s studies found that 64% of retail workers don’t share the values, behavior or personality traits of the top achievers. To counteract the problem, Totalbrand recommends hiring employees that meet the profile of the best performing employees. It has developed tests to establish benchmark traits of everyone holding the same job. Then they create a job template so mismatches can be eliminated and the right people can be hired.

Experts say many companies that are picky about hiring have prospered in tough times. These companies nurture a corporate culture that matches their customers’ expectations.

HOW THE PRIEST SCANDAL BECAME A NATIONAL STORY

Whether an issue becomes a crisis largely depends on how the media cover the story and how much public attention it attracts. Back in the mid-1980s, Louisiana writer Jason Berry reported extensively on the widespread problem of sexual abuse by priests and was interviewed by radio and tv outlets around

the country. His book, *Lead Us Not Into Temptation: Catholic Priests and the Sexual Abuse of Children*, was published in 1992. But the scandal failed to arouse public consciousness. What then transforms a scandal into a major national news story?

A LOCAL PAPER, THE BOSTON PHOENIX, BECAME THE CATALYST

In December 1995, Catholic priest John J. Geoghan was charged with molestation in the Greater Boston area of Waltham, Mass. The *Boston Globe* didn’t run a story until July 1996 when a parishioner sued, saying Geoghan

had molested her three sons. Again no momentum ensued until March 2001 when Kristen Lombardo of the *Boston Phoenix* published a 7,000 word blockbuster story. In addition to reviewing Geoghan’s abuse, she exposed how the local church hierarchy, including Cardinal Bernard F. Law, was complicit in allowing the abuse to continue. Diocesan authorities simply transferred errant priests to another parish. It became clear that the hierarchy plainly cared more for the institution of the church than for the welfare of its children. The two major Boston newspapers, the *Globe* and the *Herald*, then put the story on their agendas and reported on the scandal every day.

Key point: Don’t ignore reporters from small, local outlets. Outcome can be massive.

The pattern is repeated that after a small newspaper writes about a sensitive matter and takes on a powerful institution, the inhibition is broken for the main media to follow suit. Other factors also explain what happened: 1) the Monica Lewinsky scandal broke the journalistic taboo of not writing about sexual issues; 2) a handful of people – journalists and victims – can push an idea past *The Tipping Point*, as explained in Malcolm Gladwell’s book; 3) the unbelievably unresponsive attitude and behavior of the church is to blame. Belatedly, the Vatican convened American bishops who promised to place the issue on the agenda of the Dallas Conference and to produce corrective action. (For more information, see Carl M. Cannon’s “The Priest Scandal” in the May 2002 issue of *American Journalism Review*.)

ECONOMISTS ARGUE IN FAVOR OF EMPLOYERS RECOGNIZING EMPLOYEES’ FAMILY NEEDS

Business has a responsibility to address the family needs of its employees, argue economists. In her book, *The Invisible Heart: Economics and Family Values* (The New Press, 2001), Nancy Folbre, president of the International Association of Feminist Economists, studies the “time and effort that people put into taking care of one another.” This kind of parental “altruism,” as book reviewer and economic historian A.M.C. Waterman calls it, makes it possible that children are raised and educated to become productive members of society.

From an economic viewpoint, it was the female half of the population that produced high-quality labor outside the market and enabled capitalism and the market economy to flourish and grow for many centuries. As long as females had limited opportunities in the job market, women played this role. But as new opportunities for female employment grew, says Waterman, “the pre-capitalist culture of female subordination” was undermined. Females deserted the “caring” sector by hiring low-status women to do their caring work for them. **But as economic growth increases the cost of such care, families and their employers face a crisis.** It is awareness of this crisis that motivates employers to accept greater responsibilities for the family role of its employees.