

Energy, No. 1 in '78, is now "long-range" and "secondary" problem. (Survey was taken last October, before Iran crisis!)

Public views common stock with suspicion, particularly small investors. Their disaffection will continue in '79.

High interest rates will have negative effect on business activity.

MEDIA PROBLEMS Principal concern is protection of their First Amendment rights in face of hostile Supreme Court. Another problem: "We face a continual battle to explain economic issues to readers. This is not a news gathering problem, but a presentation problem." In what H&K calls a warning, one editor sums up sentiments of many: "Actually, there'll probably be a continuation of the same epidemic of apathy that is sweeping the country now. There will be no activism -- except by those people who will be labeled 'nuts' -- and little interest in change. It's depressing, very depressing."

RETURNING TAX DECISIONS Viewed as undeniably popular, but not all editors are convinced tax revolt will produce tangible results. As part of public's disillusionment with gov't, they see definite trend toward less regulation. Deregulation of airline industry is an example. Contrastingly, public confidence in business should improve, say 30% of editors responding. Only 25% had such confidence last year. Still, overall attitude toward business is seen as negative.

Slim majority of business editors (52%) see slowed down economy in '79. Last year's "cautious optimism" has given way to pessimism. Uncertainty and lack of confidence, specifically in Pres. Carter's ability to develop strong leadership direction, characterize editors' mood.

INTERNATIONAL RELATIONS LOOKS LIKE Stephen Freidberg, new dpr for Chemical Bank (NYC), comes to post with training in int'l rels (Stanford) and int'l economics (Fletcher School of Diplomacy, Tufts). Also studied at Graduate Inst. of Int'l Studies, Geneva. Before joining bank in '71, was deputy official spokesman for Commission of the European Communities in Brussels. Previously served as dir. res & studies, European Community Info Svc in Wash., D.C.

He was bank's int'l dpr, located in Brussels, when named to top job. Will report directly to chmn-CEO. He's already a vp. Freidberg succeeds William J.C. Carlin, longtime pr pro who came into field from newspapering.

WHO'S WHO IN PUBLIC RELATIONS

FIRMS. Tromson Monroe Adv, NYC ad & pr firm, opens West Coast office, 5900 Wilshire Blvd, Suite 1450, L.A. 90036 ...Nissen-Lie Consult is new US branch of Scandinavian based firm, specializes in pr for Scandinavian/North Sea countries, 405 Lexington Ave, NYC 10017 ...Dede Casad opens own firm, Dede W. Casad Public Relations, 4230 LBJ Freeway, Suite 125, Dallas, Tex. 75234 ...Laurie Regan Chase forms S.F. firm specializing in cons. affrs, Laurie Chase & Co, 260 California St., S.F. 94111...Lobsenz-Stevens Inc moves to 2 Park Ave, 22nd fl, NYC 10016...Manny Goldberg Public Relations Co moves to 286 Marlborough St, Boston 02116... Van Brunt & Co. Adv/Mktg opens new div, Van Brunt/Schaeffer Public Relations at 300 E. 42nd St, NYC 10017...Thomsen, DeBow Inc opens office at 1 Rockefeller Plaza, NYC 10020, specializing in corp & fin. pr.

CHIEF EXECUTIVE OFFICERS GOING PUBLIC: MEET WITH OUTSIDE GROUPS, ENGAGE IN "SPOKESMANSHIP," APPEAR IN MEDIA FAR MORE OFTEN THAN YEAR AGO

CEOs are playing a larger pr role -- as urged by public relations counsel and forced by societal pressures. "A growing proportion of the time of CEOs is spent in public encounter, public spokespersonship," notes Betsy Ann Plank, asst vp, Illinois Bell. This is acknowledged by AT&T chmn John deButts in Chester Burger's recent book, The Chief Executive (purview, 4/10/78): "Today more and more of the time that used to be spent in 'running the business' must now be devoted to representing it to the many constituencies on which its future depends." However, phone company execs have been leaders in this activity. How about others?

TABLE I: CEO TIME SPENT ON PUBLIC RELATIONS ACTIVITIES, U.S. & CANADA

Table with 7 columns: Hours per Month, Public Speaking, Lobbying, Press Confs. & Media Contacts, Radio & TV Appearances, Consumer Affairs, Meeting Outside Groups. Rows show percentages for various time intervals from None to 20 or more hours.

NOTE: Insignificant differences were reported between U.S. and Canadian CEOs, so data for two countries is combined in this chart.

Our Fourteenth Annual Survey of the Profession demonstrates that vast majority of CEOs now meet with outside groups (only 11.4% don't) and engage in public speaking (15.4% don't). Their increasing involvement in public affairs is seen in fact that almost half lobby on behalf of their organizations. While only a third make radio & tv appearances, two-thirds spend time at press conferences and with media contacts. CEOs are least involved with consumer affairs. Almost two-thirds report spending no time on this activity. A closer look shows industry differences:



MEETINGS WITH OUTSIDE GROUPS Illustrating modern role of CEO in facing outside forces, over half spend 10 or more hours monthly meeting outside groups. Over 25% spend 20 hours or more. As shown on Table 2, local government heads

lead the way with over 4/5ths spending 10 or more hours meeting constituent groups. Next come trade and professional assns (75%), state gov't (70%) and educational institutions (66.6%). Of business organizations, only insurance companies report that over half of CEOs spend 10 or more hours meeting outside groups. At upper end of scale, a Washington, D.C. safety foundation and a Mass. utility report 100 hours spent by their CEOs. Other high performers are a Conn. industrial company with 80 hours and a Calif. educational institution with 50 hours.

TABLE 2: CEO TIME SPENT WITH OUTSIDE GROUPS ANALYZED BY INDUSTRY GROUPINGS

Industry Grouping	20+ Hrs.	10-19 Hrs.	Total With 10+ Hrs. Per Month
Gov't - Local	58.3%	25.0%	83.3%
Trade & Prof'l	40.6	34.4	75.0
Gov't - State	50.0	20.0	70.0
Educational	33.3	33.3	66.6
Insurance	23.1	30.8	53.9
Hospitals	33.3	20.0	53.3
Gov't - Federal	28.6	21.4	50.0

PUBLIC SPEAKING Qualified CEO must be effective spokesperson for his or her organization. Surveys show that CEOs average 20 speeches a year. Respondent from Chicago utility reports his "CEO considers spokespersonship a primary responsibility" and cited 37 formal speeches written for him last year. Table 3 shows which industry groups are most active. Educational institutions and trade & prof'l organizations lead. Of business organizations, bank CEOs do most public speaking, followed by transportation and industrials.

TABLE 3: CEO TIME SPENT ON PUBLIC SPEAKING ANALYZED BY INDUSTRY GROUPINGS

Industry Grouping	20+ Hrs.	10-19 Hrs.	Total With 10+ Hrs. Per Month
Educational	13.3%	30.0%	43.3%
Trade & Prof'l	16.7	20.0	36.7
Banks	14.3	14.3	28.6
Transportation	0	20.0	20.0
Industrial	0	16.6	16.6

LOBBYING Amount of time spent on lobbying varies tremendously. Forty percent of trade & prof'l assn CEOs spend 20 or more hours, with another 6.7% spending 10-19 hours. In contrast, 69% of consumer product companies, 59.3% of industrials, and 57.1% of banks report no time spent. Importance of lobbying function for some assns is reflected in these reports: one exec spends 70% of his time on lobbying; assn exec dir in Calif. worried about gov't regs spends 122 hours a month and another spends 80 hours. Attesting to rising importance of gov't regulation of health care, 27% of hospital heads spend ten or more hours a month lobbying. Head of HMO group in Calif. spends 80 hours.

MEDIA RELATIONS Making their CEOs available is one way organizations have attempted to improve their tenuous relationship with the media and promote their cause in the arena of public opinion. About two-thirds of CEOs spend time on press conferences and media contacts and about one-third appear on radio and tv.

Heads of local gov't (30%), trade & prof'l assns (22.6%), and utilities (14.8%) spend ten or more hours a month on media contacts. Yet CEOs in over half of consumer product & insurance companies and about 2/5ths in industrials, conglomerates and hospitals spend no time on this activity. Appearing most frequently on radio & tv -- but only for 2 hours or less -- are CEOs in transportation (66.7%), hospitals (43.3%), education (37.9%), local gov't (36.4%), utilities (34.6%), and insurance (30.8%).

CONSUMER AFFAIRS CEOs are least involved in consumer affairs. Only about 10% report spending 10 or more hours a month on it. Most active are heads of state gov't (33.3%), utilities (26.9%), hospitals (25%). In reaction to rising health costs, one hospital reports its head averages 100 hours monthly on consumer affairs. Consumer product companies report only moderate CEO involvement: 56.7% report no time spent, 26.5% report 2 hours or less, 3.3% report 5 hours, 10% between 6 & 19 hours, and only 3.3% report 20 or more hours.

LAST YEAR

... when prr first surveyed CEO time, we reported "most top execs spend little time on public relations." Speechmaking got lion's share, with most mentions in all but one industry grouping. This year, as Table I shows, other activities are rivaling or surpassing public speaking. It is now second most common activity after meetings with outside groups. Few respondents last year reported CEOs spending 20 hours monthly. This year many did; and 28.4% of all respondents say their CEO spends that much time each month just meeting with outside groups.

Industry groupings showing least CEO activity did not change. Consumer product companies and industrials & conglomerates report fewest hours -- even in such efforts as media relations.

BUSINESS EDITORS PESSIMISTIC, BUT THREE BRIGHT SPOTS SHOW AREAS FOR NEWS COVERAGE IN '79

Despite general pessimism, business editors see three bright spots for '79:

¶ Increased capital investment, productivity and technological progress. For example, electronics is believed to be on threshold of breakthrough in microcomponents & transistors to create new industry.

¶ Improved foreign trade balance and stabilization of dollar.

¶ Optimism about local economies -- even though regional problems are reported. North-east: exodus of large corporations and difficulties of attracting qualified people. Southeast: administration's negotiation of international trade agreements, cost of energy, capital formation, high taxes, uncertain future of farm program. Midwest: energy and gov't regs. Southwest: cutback on gov't spending for economy highly dependent on military budget. West Coast: gasoline prices, environmental regs.

MAJOR BUSINESS STORIES. Inflation, energy, recession, union negotiations, wage & price controls will be news for coming year, according to Hill & Knowlton's 6th Annual Survey of America's Leading Business and Financial Editors:

¶ Inflation is most important problem facing business in '79.