

Employee Communications: "A key to success for virtually all companies is an obvious one -- so obvious that it is sometimes taken for granted. That key is good communications with all employees. Yet, the bigger we become, the harder we must work to maintain the clear and open communications that seemed to come so easily when we were smaller. That's part of the reason that we have chosen to renew publication of Raytheon News. Yet, good employee communications does not begin and end with a newspaper. It must be just as evident in the way we relate to each other." -- Thomas L. Phillips, chrm, Raytheon (Lexington, Mass.)

Corporate Communications: Two pages of 6-pg newsletter for W.R. Grace & Co. (NYC) managers concentrates on an interview with Antonio Navarro, sr vp-corp comns, titled, "We Have The Right -- And Duty -- To Speak Out." Navarro writes: "In the past, this company was a little stodgy (stodginess served it well for a century) and was not use to communicating to the outside or recognizing the need to do it. We played our cards close to our vest, did a good job and let the results speak for themselves. But times have clearly changed. In today's world, the old way is not necessarily the best way. Mr. Grace intuitively knows that."

Quality Circles: Thompson Products Div. TRW Canada (Ontario) devotes half of its newsletter, Forum, to the subject of employee relations. Article quotes Bob Smith, quality circles coordinator: "We're after communication, feedback. Our people need to feel they're doing more than running a machine. They need to feel that through their suggestions and actions, they're contributing to the overall success of this company. Let's face it. We're trying to build people, change attitudes, and these things don't happen overnight. On the other hand, how can you fail when you're communicating ideas, setting goals and building enthusiasm."

ITEMS PRACTITIONERS SHOULD KNOW ABOUT

Scott Cutlip writes to remind us that "You fell for an old myth in our craft when you trumpet T.J. Ross as 'world's oldest public relations firm' (prr 1/14/85). The George Parker-Ivy Lee firm, started late in 1904 after their losing Democratic presidential effort, was at least the fourth such firm started in this century." He's right. prr omitted the word "active." T.J. Ross is the oldest firm surviving from those early days. Pendleton Dudley started his firm, now Dudley-Anderson-Yutzy, in 1909. Many practitioners may not know that Cutlip is a leading historian of public relations & fundraising as well as his more familiar role as educator & constructive critic.

The Information Society, an international journal, provides commentary on the world of information. How will information science & technology affect our future? What are the major issues facing public policymakers? What are their social, economic & political implications? How can society benefit from these changes? Who will be affected in the Information Age? Quarterly journal attempts to answer these & other questions. Its papers analyze information policy issues affecting society -- worldwide. (\$60/yr from Crane, Russak & Co, 3 East 44th St, NYC 10017)

The Art Of Media Tours discusses the difficulties & rewards of media tours -- where you provide programming in the form of a guest with a story in exchange for media access. "The problem comes in getting your message and their program to ride the same street." 13-pg booklet offers tips & info. (Free from Marian Tripp Communications, 70 East Walton Place, Ste.5-B, Chi 60611)

pr reporter

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RELINQUISHING MANAGEMENT OF HIS FIRM AFTER TWO DECADES, CHESTER BURGER EXPLODES THREE DANGEROUS MYTHS

On his firm's 20th anniversary, Chet Burger is relinquishing his management responsibilities to do full-time consulting. "It's a gift to myself," he explains. From this vantage, the highly respected public relations leader looks at the state of the practice from his perspective as counsel to senior management:

Execs Want Aid From PR

Senior managements thirst for help. It simply is untrue that they don't want to change wrong ways or correct unacceptable practices. You don't keep a corporation in business unless you can change and adapt as necessary.

Every company, and many entire industries, rise & fall because of external forces -- regulations, tax policies, public opinion. A corporation can have fine products, competitive pricing, high quality, and yet be attacked by outside forces.

Senior management needs help in dealing with these outside forces. Public relations professionals need to offer such help. They must be qualified to do so; there is no "public relations mystique."

PR Is More Than Publicity, Speechwriting, Et Al

I don't think there's anything wrong with being an expert publicist or a fine speechwriter or a fine anything else. Those skills are indispensable for a public relations professional. It's just that they're not enough. If you perform such tasks well, you are making a vital contribution to your company. But why are you any more valuable than

the data processing specialist or the bookkeeper or the office manager? All of them are essential, but their work doesn't need the attention of the CEO.

Pros Must Be Generalists, Multicultural Business People

They should know their companies thoroughly. "Hands-on" experience is the best. And they should know their competitors almost as well as they know themselves. They should understand & observe the formation of public opinion. They should have personal contacts & friends in the black & Hispanic communities, because ours is not an all-white society. And they should understand differing cultural backgrounds that affect the nation's life.

Public relations professionals, if they are to be able to offer competent counsel, should be conversant with other aspects of life: 1) culture & the arts (why are there so many tasteless productions & communications?), 2) history (how did we get to this point?), 3) religion (the values of New York Yuppies aren't necessarily shared by the rest of the country).



Certainly, they should know the media, that is, individuals employed by the media, if they themselves haven't worked for the media at one time or another. There is such a thing as "a journalist's mindset." I don't see how you can understand or deal with public opinion unless you understand those who influence it directly.

ANNUAL MEETING MEANS CORPORATE SOUL SEARCHING
...AND PREPARATION FOR SHAREHOLDERS' QUESTIONS;
THEY BECOME GUIDES TO NEXT YEAR'S PR PROGRAM

2) merger & takeover activity, 3) the Deficit Reduction Act of 1984, 4) the strong dollar, 5) industrial safety procedures.

More than 300 potential questions are listed in "Shareholders' Questions, 1985." Published annually by Peat Marwick, booklet is designed to help corporate mgmt & directors anticipate questions from shareholders. Among those that merit special attention this year:

1. What anti-takeover measures have been adopted (considered) by the company?
2. Is information provided to financial analysts or institutional investors that is not released to shareholders or the press? If so, why?
3. What procedures does the company have to prevent improper transactions involving insider information? Have they been modified in response to the SEC's recent emphasis?
4. Does the company have a political action committee (PAC)? If so, how does it solicit donations from employees? Who were the recipients of contributions? Who pays its administrative and operating costs?
5. Does the company have a corporate code of conduct? If so, how is it monitored and enforced? Is it available to the public?
6. What measures has the company taken to assure that its plants are safe and will not be the cause of an industrial catastrophe such as the one that recently occurred in India?
7. Does the company lend executives to civic, political, charitable or other organizations? If not, why not?
8. Are there any significant pending or contemplated legal proceedings against the company related to environmental matters? (Copy of booklet available from local Peat Marwick offices.)

GROWTH OF INVESTOR RELATIONS,
CORPORATE DEMOCRACY SEEN IN NEW BOOK

1) its growth, 2) 3-step process for successful IR, 3) higher education needs for

I'm suggesting breadth of interest. Most people in our society (or any other) lack it. Most people's interests are narrowly circumscribed. This includes corporate managers as well as public relations professionals. Broad interests are necessary if we're to help management deal with the larger society.

According to accounting firm Peat Marwick, major subjects that may evoke queries include

1) present & future economy,

2) merger & takeover activity, 3) the Deficit Reduction Act of 1984, 4) the strong dollar, 5) industrial safety procedures.

) IR practitioners, 4) maintaining credibility, 5) greenmail, 6) leveraged buy outs, 7) building investor loyalty, 8) mgmts' misconceptions of IR's role, 9) in-house vs. outside counsel, 10) IR's role in corporate adv'g, 11) hiring & promoting the wrong people, 12) creative accounting's destructiveness, and 13) IR's future.

Bold Prediction

"Things will change in the 1990s. Somewhere some enlightened CEO will step forth to announce that he will be the only member of management on the board and that he will not serve as chairman. He then will astound the business world by announcing that directors will not be nominated by either him or the board.

"They will be selected by the shareholders. A committee of shareholders, chosen at random, will be named to the selection board. It will be their purpose to select nominees. They will recruit two nominees for each position, thus requiring the nominees to tell shareholders why they should serve, rather than receiving automatic accolades from management in the proxy. Anyone presently serving on any other board with the CEO, or any other director, will be eliminated from consideration.

) "The decision will place the democratic process several steps closer to the shareholders; offer greater participation in the ownership of the company; and give new stature to the CEO in the eyes of the investor." (From Investor Relations Associates, 364 Lorraine Rd, Glen Ellyn, Ill. 60137. \$65; 68 pgs.)

PHILANTHROPY TO EDUCATION
HAS LITTLE PAYOFF FOR DONORS

Contributions to education "seem to have little effect on the public's perception of the businesses who make them," argues mgmt prof James Hathaway of Appalachian State University (Boone, NC). They account for a third of corporate gifts, but what good are they if they don't bring social credits to the donor?

Excellent development work, playing on the old school tie theme, has made giving to alma mater part of the "old boys' network." Writing in the current IPRA Review on how to earn credibility & appreciation thru social responsibility, Hathaway offers this iconoclastic view:

"Three common methods are used: 1) non-specific grants such as those to the association of black colleges; 2) matching gifts to the colleges of employees; 3) specific programs supported by scholarships usually in academic areas of interest to the firm. None of these stir up any public excitement, or receive any substantial publicity, and are appreciated only by the small group of givers and receivers. Except in very large amounts, these gifts do not make news and there are many members of society who do not even know they exist."

COVERAGE IN INTERNAL PUBLICATIONS
SHOWS PR PHILOSOPHY CATCHING ON

pub'ns give emphasis to the following areas:

"Someday, corporate managements will realize that financial communications is a 2-way street. They need to know how the investor thinks so that they can build 'loyalty.'"

Investor relations is a young field -- about 20 years old. In "Investor Relations Today," consultant Joe Graves Jr. describes

Explaining the importance of public relations activities to inside audiences demonstrates the growing commitment. Several recent