

ITEMS PRACTITIONERS SHOULD KNOW ABOUT

¶Common knowledge base of public relations & psychiatry is reinforced at Northwestern University Medical School. Seasoned public relations pro is bringing his insights to its dep't of psychiatry. Morris Rotman of Ruder Finn & Rotman (Chi) will be a lecturer for the fall term. "They're looking for the insights I've acquired in my career dealing with executive's interpersonal relationship problems. I'm one of the few lay people involved," Rotman told prr. In his 40-yr career, he has led many seminars for execs on family business problems, executive stress, internal relationships. "It's strictly an outside activity. I'm not stepping out of my practice."

¶"Facts About Blacks," 48-pg booklet, explains with charts & statistics the status of Blacks in the US. Gives details on consumer buying patterns, income, population, employment, education, Black-owned businesses. Lists Blacks on major corporate boards, in politics and in the armed forces. (\$4.50 from LeRoy Jeffries & Associates, 3540 Wilshire Blvd, Ste.816, LA, Calif. 90010)

¶A simple sentence turned an almost bankrupt company into a thriving business, as the story goes. An entrepreneur began a salmon-canning project. The price was right, the salmon delicious. Unfortunately it was white instead of the customary pink. Since the public was used to pink, it was tough to convince them to try white salmon. Cans piled up. Bankruptcy loomed. A pr pro was called in. He penned the infamous 11-word sentence that turned everything around, cleaning out the inventory in 4 months. Rival canneries got the courts in on the act, or they would have gone out of biz. The sentence? "This salmon is guaranteed not to turn pink in the can." (From Try and Stop Me: A Collection of Anecdotes and Stories, Mostly Humorous by Bennett Cerf, 1945, published by Simon & Schuster, NYC)

¶Once again, it takes a crisis to wake up slow-learning managers. Restaurant industry, famous for bad employee relations policies, now launches a campaign to change that reputation. "We want Americans everywhere to know about the opportunities & rewards offered by careers in the hospitality industry," says exec vp of Nat'l Restaurant Ass'n. How come? Labor shortage. Labor Dep't says food industry will be short 1.1 million workers by '95. Fast food giants like Wendy's & McDonald's are already wooing senior citizens to replace the unavailable teenagers they've relied on. But the bottom line question for practitioners -- & the workers -- remains: Will managerial relationships to employees change for the better?

¶Observation: "When I went to Howard University after my years in the White House, I thought academia would be simple after politics. Ha! The White House was easy compared to this." This is the sentiment of Louis Martin, long time editor of the Chicago Defender & spec'l ass't to Pres Carter, now on the university relations staff at Howard after 2 retirements.

WHO'S WHO IN PUBLIC RELATIONS

ELECTED. Women in Communications, Inc. 1986-87 officers: pres, Juliann Kaiser (comms dir, Provident Cos, Chattanooga); pres-elect, Sharon Watson (Watson Communications, Dallas); vp-prof dev'l, Anne Greenberg (pres, Info Architects, LA); vp-finance, Janice DiNezza (adv'g

supvr, McDonald's, Southfield, Mich); vp-prgms, Lucy Harr (vp, Credit Union Nat'l Ass'n, Madison, Wis); vp-mbrship, Ginger Purdy (Ginger Purdy Adv'g & PR, San Antonio); vp-student afrs, Ann Marie Kerr (comty rels rep, Willamette Falls Hospital, Oregon City, Ore).

pr reporter

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AMONG THE MANY THINGS TO BE LEARNED FROM THE IACOCCA PHENOMENON:
DELIVER ON PROMISES, GET CEO OUT THERE ON ISSUES, LIMIT MESSAGES AND
"FOCUS ON THOSE THINGS THAT ARE ABSOLUTELY ESSENTIAL TO THE OPERATION"

Lee Iacocca, the best known executive after Ronald Reagan, calls his vp-pa Jim Tolley a major contributor to Chrysler's success. Tolley told a PRSA group last week how the Iacocca team does it:

1. Follow the basics. They have 3 rules: a) Tell the truth, and do what you say you will, so you get a reputation for integrity. This prompted Chrysler's 50,000-mile/5-yr warranty. b) Get the word out aggressively so media & public get your stories straight. c) Plan as much as you can (but when you can't, trust your instincts).

2. Target & focus. Lee's goal is to sell cars & trucks so his appearances are scheduled for maximum effect -- and the first rule is that "it must be an audience who can afford to buy new cars & trucks." Tolley's dep't works "only with those media that are important to Chrysler's market." But this means knowing which ones are. For example, women are now buying more new cars, and by 1990 will buy 50% of them. So Tolley says he's discovering Savvy, Working Woman & similar publications.

3. Build an organizational identity. This must arise from stated goals & aspirations, and they should be clear & simply stated: "Build quality products & back them up." Tolley expresses amazement at recent survey (prr 9/1) in which 46% of CEOs said corporate identity wasn't important. "To Lee, it's everything."

4. Speak out, then respond. "CEOs must be personally involved in

Chrysler writes its strategic objectives annually. "We identify goals & aspirations ending up with about 12 things written on a piece of paper." This is winnowed down to one sentence. Senior execs carry that one sentence on a card in their pockets "so they never lose track of what it is the company is really trying to accomplish." If someone comes along wanting to spend \$20 million on a project, the sr exec can pull out the card and say, "where's that on here?"

Once identified, those objectives with direct public relations involvement "become our marching orders for the year." Tolley meets with the top people in his dep't and asks for ways to meet these objectives. A couple weeks later they come back with a list of suggestions. These are put in priority order and priced out, "just like a menu."

Then comes the budget process. "I sit down with the financial & management people, show them what we can do and how much it's going to cost. They buy off." Each person in the dep't is then given a list of "what we're going to do for the year." They're admonished to "glue it to the wall in front of your desks and don't lose sight of it. We don't have money or time to do everything, so we concentrate on the things we have to do."



shaping public issues. It's their responsibility. (This is how Lee got viewed as a presidential candidate.) But he speaks only on topics that effect the company & the auto industry. We don't want to turn Lee into another Arthur Godfrey so we limit him to one or two corporate messages a year."

"Americans like someone who speaks up, who says what he or she thinks. Iacocca isn't shy about that. So he gets many opportunities to do it." He receives 25-35,000 letters annually. Of these, 7-8,000 are requests to make speeches, 200 at commencements.

5. Social responsibility makes friends. "Saving the company identified how much a friend can really do for you. We learned the value of social responsibility from adversity." Chrysler's policy starts with the CEO, then moves to a Public Policy Committee of the board -- of which Tolley is sec'y. He says its members "ride me relentlessly if we're doing something they don't feel is right."

Next is a Corporate Public Responsibility Committee -- the largest committee in the company -- chaired by Tolley. 21 officers serve on it "so every nook & cranny is open for inspection." One important result is officers trained to understand corporate social responsibility. This committee makes recommendations to the Corporate Executive Committee: "I've never known them not to act on a recommendation."

FEASIBILITY STUDY LOOKS TO ESTABLISH
3 PR INFO STORAGE & RETRIEVAL SERVICES

Underwritten by a grant from Arthur W. Page Society, 6-month study will be done by U of Oklahoma's School of Library &

Information Studies. PR professor Judy VanSlyke Turk will assist. Society hopes to see established:

1. Centralized on-line database, "Current Index to Published Literature in Public Relations";
2. An annotated on-line data base, "Index to Unpublished Documents in Public Relations";
3. "Public Relations Document Reproduction Service" that would provide -- on paper, microfiche or microfilm -- copies of documents contained in the "Index to Unpublished Documents in Public Relations."

The Society is funding the study because it recognizes the need for additional pr databases, according to Research Committee chrm Stanley Boulter: "Public relations practitioners, educators & researchers who wish to search available public relations literature don't have efficient means to obtain current information. Information gathering is an integral part of a public relations practitioner's job. The proposed databases will give practitioners an efficient way to get the job done."

Model for the databases will be the ERIC system, which is comprised of 3 information indexes/services: a) a Current Index to Journals in Education; b) a Research in Education service; and c) the ERIC Document Reproduction Service.

Simultaneously, the Research Committees of both PRSA & NSPRA are working on projects to assemble the body of knowledge of public relations. So it will be readily available to practitioners. Activities of this type push the field closer to a scientific basis utilizing process management.

ESOPs ALLOW PARTICIPATION IN DECISIONMAKING
WHICH TURNS ATTITUDES INTO POSITIVE BEHAVIOR

Studies show employee ownership companies are more profitable & more productive. They also generate more new jobs, have higher sales growth and stay in business longer than comparable, conventionally-owned firms. New research looked at firms before & after instituting Employee Stock Ownership Programs (ESOPs).

Previous research found the principal factor in making employees feel like owners was the financial benefit. New study, however, shows it is participation in decisionmaking. "Organizations can make employees enthusiastic about employee ownership by giving them a significant stake in the business. But if they want to translate that enthusiasm into improved corporate performance, they must provide some mechanism for doing so -- they must provide employees opportunities for turning positive attitudes into positive behaviors."

In employment, ESOP firms grew 5.05% per year faster than their comparison companies after launching ESOPs -- compared to only 1.21% per year faster beforehand. In sales growth, they grew 5.40% faster after their ESOPs -- compared to only 1.89% before. Projected over a 10 year period, the improved performance in ESOP companies would generate 46% more jobs & 40% higher sales growth than they would have experienced without employee ownership.

What Makes Employee
Ownership Work

1. When managers believe strongly that

employees ought to be owners, and when they integrate employee ownership into the corporate culture, the company does better economically.

2. Companies may make employees feel good about being owners by aggressively communicating the benefits, but this by itself is not going to improve performance.

3. The more opportunities the company provides for employee participation, the better the company does.

4. While companies may make employees enthusiastic about ownership by making large contributions to their ESOPs, contributions alone can't guarantee success.

Nat'l Ctr for Employee Ownership studied 45 firms looking for the chicken or the egg: do ESOP firms perform better because they are employee owned, or do better-performing firms set up employee ownership plans in the first place? Each firm was matched with 5 or more comparable, non-ESOP companies for comparison. Results show the most participative ESOP companies improved their performance 8-11% compared to about 3.5% for the average ESOP company. (Copies of study, \$15 from NCEO, 927 South Walter Reed Dr, Arlington, Va. 22204; 703/979-2375)

First annual employee ownership day will be held Oct '87, sponsored by Nat'l Ctr for Employee Ownership. Purpose is to call attention to employee ownership companies and to make employees who are owners aware of their role in the company. "This could be an excellent communications device for companies to remind employees that they own a piece of the action, too," exec dir Corey Rosen told prr. Companies will invite reporters to tour their facilities, take out ads in local & trade media, hold receptions for media & politicians, send material to customers, etc. Lecturers will speak at universities, speakers will be available for civic groups. A press conference of national politicians supporting employee ownership will be held.