

SIGNIFICANT CHANGE IN ANNUAL REPORTS
IS THEIR "FOCUS ON THE FUTURE"

So finds Leslie Segal of Corporate Annual Reports (NYC). "In this world of instantaneous communication, the annual report has outgrown its reporting function and has grown to become an important multi-faceted communications tool for the CEO. It often serves as: a road map for senior management, a wish list for Uncle Sam, a promise list to special interest groups, and a battle flag for the troops." He offers a 3-point, boiled-down checklist of elements ARs should address:

1. Two or three strengths that will enable the organization to grow & prosper over the next five years.

Example: View-Master International Group occupies a small but very special niche in the toy industry. It owns some of the most long-lived & wholesome names in the business -- Erector Sets, Ideal Toys, Chemcraft, View-Master & a number of Sesame Street licenses. This strength is highlighted with large photos of classic toys, both on the cover & throughout the report. Pictures even adorn the financial pages (Assets, Liabilities & Rub-A-Dub-Doggie).

2. Strategy that will help achieve that growth & prosperity.

Example: Kaman Corporation printed a panel highlighting one aspect of its long-term strategy on every page of its '85 AR. In addition, it printed a mgmt discussion that included Qs & As about acquisitions, new technologies & other major concerns.

3. A sense of who's in charge. A report should do all it can to illustrate the quality of top management -- something that will help readers decide if they really want to put their trust or their careers or their wallets in the hands of the fellow who's signing that letter.

Example: Capital Holding's '85 AR featured large silhouetted photos of customers in very warm situations. Chrm's shirtsleeves photo was taken by the same photographer in the same style & lighting. Result was a portrayal of the chief executive that was not only warm & inviting, but related him all the more closely to the message of his report.

USEFUL INFORMATION FOR PRACTITIONERS

"Issue Management Process Model has been updated by Howard Chase in the current Corporate Public Issues to celebrate newsletter's 10th anniversary. In '77, the Model advocated involvement of constituents as a useful tactic in the issue action programming stage. "The Model shows that the corporation has available to it more constituencies than some public relations or public affairs departments are now reaching, and there are built-in bridges to these constituencies already in place. The issue manager should realize that the person or department in daily contact with these constituencies is usually the best conduit for the information & point of view the organization wants to convey, and also will be the best source of their feedback." Today, constituencies are viewed as especially useful in issue identification & analysis. (See last week's lead story on constituency relations.)

For copy of Model, write Issue Action Publications, 105 Old Long Ridge Rd, Stamford, Ct. 06903; 203/329-1425.

WHO'S WHO IN PUBLIC RELATIONS

ELECTED. Paula Kadel (coord, promo & interpretation, Lutheran Church Women,

Philadelphia) named pres of Religious Public Relations Council.

pr reporter

The Weekly Newsletter of Public Relations,
Public Affairs & Communication

603 / 778 - 0514

Vol.29 No.18
May 5, 1986

"COMMUNICATION STRATEGY IS A LOGICAL PARTNER TO STRATEGIC PLANNING -- TO CREATE AN ORGANIZATION WHERE EVERYBODY PULLS IN THE SAME DIRECTION," SAYS WINNER OF IABC'S EXCELLENCE IN COMMUNICATION LEADERSHIP AWARD

To grow, Allstate knew it needed a new strategic plan: to be leaner, more responsive, more market oriented. This prompted "the most sweeping reorganization in the company's history. But all this work would be in vain unless we could make our employees understand the rationale for change, and incorporate this new market-oriented strategy into their jobs," explains CEO Donald Craib Jr.

Communication Seen As Key Since "it's people who make plans work," corporate communication was critical -- "not as a gesture but as a management tool in support of our growth objectives." Communication strategy involves management at every level & in every operating dep't. Objective is to ensure that company's 43,000 employees "know what they need to do and why it's important."

Strategy Is Essential It's essential to keep the term "strategy" in mind, believes Craib. "Communication must be planned as carefully as we plan any other aspect of our operation." It must seek specific objectives. Results must be measured. Plan must be modified if it fails to meet predetermined goals. It begins with "an understanding of what's wrong & what's right about the existing communication culture within the company. Research is essential here." Everybody mouths these ideas -- but Allstate carried them out:

Action Plan 1. First step was to create a communications board. Membership includes CEO, pres, sr vps, top execs of biz units, pr pros. "Basically, the board makes sure that our communication efforts lock step with our overall corporate strategy."

2. Corporate relations dep't established key contacts within each biz unit. Their task is to ensure accuracy of information.

Objective is to "create a dialogue within the company, not constantly deliver pronouncements from on high." Company's Upward Communications Sessions "help us to stay in touch with what's happening on the front lines -- where policies are sold & claims adjusted. It's one way of staying close to the customer. And it's vital to our understanding of how the strategic plan is working in the field.

"It's also a fresh reminder of the increasing sophistication of the workforce. Employees are better educated. We're asking them to do more independent thinking and they're asking for better explanations of what's expected of them & why. Wise companies nurture, rather than stifle, this attitude. And they develop successful communication strategies around it," says Craib.



3. Revised & refined internal media. New publications were targeted to key internal audiences. Others were scrapped. Decisions were based on research. a) New mgmt mag communicates organizational goals. b) Employee annual report was produced for distribution at dep't kickoff meetings, "assuring a unified message on the objectives." c) Increased frequency of the all-employee newspaper to accommodate added info about corporate changes. d) Restructured the employee videotape program from news-show format to in-depth portrayals of issues critical to employees & the company. Tapes are used as discussion-starters in staff meetings.

4. Training programs improve managers' communication skills. "Studies continue to show that employees believe the people they work with much more readily than any other source." Training ensures managers understand company messages & objectives.

5. Two times yearly, CEO, pres & other officers hit the road to participate with employees in Upward Communications Sessions. They meet with 15-20 employees chosen at random from all levels & dep'ts. No-holds-barred questions & answers are videotaped for companywide distribution.

6. Speed, honesty & mgmt visibility were basic elements in making the reorganization announcement. "We never gave the rumor mill time to gear up. We made the reorganization announcement at our annual corporate conference and videotaped the message. Within a week, videotape & company newspaper reported the changes to all employees countrywide." "We were honest. We didn't gloss over the difficult parts. Changes were announced up to a year in advance to give affected employees all possible notice."

7. Teams improve flow of information. Growth teams are small groups of 12-15 employees from field offices. Their mandate is to increase Allstate's market share & sell more insurance. In the process they are a) improving face-to-face dialogue between managers & employees, b) improving the quality of decisionmaking by "giving managers access to the kind of input that only employees can provide." Improvement teams unite people within a single unit or several units to improve the quality of their work & better serve the customers.

"Despite tough business decisions, the attitudes of 90% of our workforce remained positive," reports Craib. He is this year's recipient of IABC's Excellence in Communication Leadership Award -- highest honor given to a nonmember. Award will be presented at IABC's annual conference, May 19-22.

DOES CHANGING SOCIAL COMPOSITION
MANDATE NEW LOOK AT UNTOUCHABLE ISSUES?

Most organizations duck "moral" issues, for good reason. But pragmatism may force new perspectives. For instance:

¶2/3rds of new labor force entrants are women.

¶Major problems for them (and all new workers) are lack of basic skills such as literacy & math.

¶These are beginning to show up as major costs to employers in low productivity, poor quality.

¶School dropout rates are heavy contributors to this problem. Average rate is 25%, to high of 43% in Louisiana.

¶Of girls who drop out of school, 25% do so because they are pregnant, reports Children's Defense Fund.

¶But teaching sex education in school, operating women's health centers is opposed by fundamentalists -- who are often sufficiently vocal & well organized that they can stop such activities.

¶Studies show mainline citizenry favors such programs, particularly when they understand their purpose & how they operate.

Strategy Question: Should organizations concerned with the quality & availability of the labor force tackle the teen pregnancy problem?

EVERYONE KNOWS HUMOR IS EFFECTIVE;
SCHOLARS OF "WHIM" TRY TO LEARN WHY

"Humor, when the meaning is stretched beyond just a good joke, can be as influential as politics or science," says Don Nilsen,

Ariz State U English prof. He cites psychological & social reasons for studying humor:

1. It can be a healing mechanism. "If it's possible to have a psychosomatic illness, it's possible to have a psychosomatic wellness."

2. Laughing releases endorphins which relieve stress & elevate the mood. And laughing at problems allows people to distance themselves from them.

3. Studying the way humor changes over the years shows changes in social consciousness. "Mother-in-law jokes & women driver jokes died out with the birth of the feminist movement. Drinking jokes are disappearing as sensitivity to the problems of alcoholism increases." Bumper stickers -- often humorous -- are an easy way to see what's on people's minds.

4. Humor is also persuasive, "particularly in advertising & politics." He cites Reagan's use of humor as particularly effective. His quips after he was shot in '81 reassured the public that he was not hurt too badly and that his mind was still working. Reagan's humor is "warm & empathetic" in contrast to James Watt's, former Sec'y of the Interior, whose humor is often "hostile."

Nilsen & his wife Alleen are founders of WHIM -- World Humor & Irony Membership. 1,000 people recently gathered at its 5th international conference to deliberate on what humor is and how to use it. Next year's conference, April 1-5, will again be at ASU. In '88, Purdue will host the meeting. In '89, Univ of Maryland; '90, Univ of Ottawa. (More info from Nilsen, English Dep't, ASU, Tempe 85287)

¶Call for papers: "Send \$50 membership fee, and a 1-page abstract on 'International Humor' to Don Nilsen. This fee entitles you to three meals, three coffee breaks, and a humor journal. Accompanying persons not reading papers may pay \$25."

Alexander Kohn, who teaches biochemistry & virology at Tel Aviv Univ Medical School, says there is a surprising amount of humor, intentional & unintentional, in scientific pub'ns. Unintentional example from a library journal: "Limited Nutritional Value of Cannibalism." Intentional example from the Journal of the American Psychological Ass'n: "The Unsuccessful Self-Treatment of a Case of 'Writer's Block.'" Page following the title is blank.