

TEN ELEMENTS IN ASSESSING RISK PERCEPTION

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| 1. <u>Is the risk voluntary?</u> Example: Choice between regular or decaf coffee is voluntary. Breathing secondary smoke is not. | road casualties & airline disasters. But we become emotionally attached to the girl in the well, or lucky Buck who was pulled from under the bridge. |
| 2. <u>Can situation be controlled?</u> Driving is more dangerous than flying, but <u>we</u> control the car. | 8. How high is <u>dread factor</u> ? Heart attacks kill far more people, but cancer is more feared. |
| 3. Is there a <u>perception of catastrophic consequences</u> , e.g. Greenhouse effect? | 9. Is risk <u>natural or manmade</u> ? An earthquake is more acceptable than a bridge collapsing from poor engineering or inspection. |
| 4. <u>Is risk familiar</u> , e.g. smoking? | |
| 5. How vulnerable are <u>children</u> ? | 10. <u>Who benefits</u> from risk? It was perceived that Alar profits went to apple growers. In reality, chemical company selling Alar profited. When have facts & perceptions necessarily coincided? |
| 6. Are <u>consequences immediate or delayed</u> ? If delayed, we may not take action. | |
| 7. Does it have <u>identifiable victims</u> ? We tolerate hundreds of | |

COMMUNICATING TO A DIVERSE WORKFORCE -- DO WE KNOW HOW?

Managers in the 90s will have 2 challenges:
a) shortage of workers; b) 80% of new workers will be women & minorities. Managerial questions of the decade: "Do I know how to manage/motivate someone who is not like me, and doesn't necessarily aspire to be like me? Can we pass beyond obligatory requirements of Affirmative Action to valuing the positive strengths of a diverse workforce? Can we trade the melting pot for a salad bowl?"

Dr. Roosevelt Thomas, pres Amer Institute for Managing Diversity (Morehouse College, Atlanta) believes these are competitive issues -- not just legal or moral concerns. IMD strives to train employers to look beyond AA. Few existing guidelines tell how to manage people who hold precious gut assumptions about values, myths & interpersonal relationships. What some organizations are doing: 1) Proctor & Gamble offers 4 courses on managing diversity as part of its management training program; 2) AT&T pays particular attention to diversity of workforce in all internal & external communication; 3) Virginia Power teams human resources & public affairs departments to address the issue.

Modern anthropological research, e.g. Bellah's Habits of the Heart, dissect historic wellsprings of white Anglo culture. Where are similar studies on minority cultures -- black, Hispanic & Asian? Where are the MBA courses in personnel & resource mgmt which will help us get behind the stereotypes?

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IS U.S. A CAPITALIST NATION WITHOUT CAPITAL? ARE WE FORMING A NEW CONSENSUS TO REPLACE THE NEW DEAL? CAN WE FIND A NEW DREAM & HAVE A SECOND "AMERICAN CENTURY"?

Sixty days away from a decade that current evidence suggests will be marked by shattering emotional issues impossible to resolve normally, it is not surprising the 3 keynote addresses at the PRSA Conference showed no consensus on finding consensus. Their differing approaches merit attention as guides to those who will be charged with solving the dilemma -- namely public relations practitioners.

The Political Approach As explained by Bush pollster Bob Teeter, a new consensus is forming around the Reagan-Bush agenda. Evidence is 3 elections won. But this is far short of the previous consensus, the New Deal, which lasted for 50 years. Also, Bush's "more choices" philosophy can mean more diversity, away from consensus. So maybe we shouldn't worry about broad consensus but rather pull coalitions together to solve specific pressing problems.

The Economic Approach International trade expert Clyde Prestowitz noted how laissez faire policies had, in 8 years, taken the US from the world's leading nation in every respect to one in which it leads only in military force. And in today's world, he points out, brute force isn't very forceful. In this short time US went from world's largest creditor to the largest debtor in world history. He detailed how one industrial sector after another has been lost to other nations -- first textiles, then tv's, next cars & steel, then semiconductors.

Way to build consensus -- in which practitioners have a lead role -- is to re-establish an American dream, which Prestowitz feels has been lost. For instance, recognizing that a corporation is more than shareholders. It's also workers, communities, consumers loyal to a product line, etc. This view, and the short-term results approach it spawns, is "an illness of the spirit." "A nation that pays newly minted MBAs 10 to 20 times what it pays classroom teachers" clearly suffers from that illness. If we had a dream of regaining our future, US would come to consensus on an extra \$1/gal gas tax -- which would quickly wipe out federal deficit, and still provide gas at half what it costs in rest of the world.

Solution is to turn around our attitude of being "world's poorest savers & biggest consumers." This means dropping the ideological rhetoric against an industrial policy -- & recognizing we already have one, even if it's often by default. For instance, tax law of '86 made it possible for Japanese to invest here more cheaply than Americans can.

The Scholarly Approach Things aren't that bad, argues Ben Wattenberg of American Enterprise Institute. US is first "universal nation" ever, since immigration reform in '65 let all parts of the world move here, not just Europeans. Fears about consensus falling apart because of this are erroneous. Immigrants & their children lead the nation: Iacocca, Cuomo, Kennedy, Gen. Colin Powell, et al. Fears about Hispanics invading but not fitting in are unwarranted. Those here 10 years or native born are doing ok, but 40% are immigrants -- "and it takes time." Compare Italian-Americans in 1910.

"The Cold War hasn't ended; we won it!" says Wattenberg. Eastern bloc nations now seek democracy & private enterprise. There has never been so culturally potent a nation. Others may produce the hardware, but US produces the software -- the part with meaning, the reason the hardware exists. This means our values influence the world. American is the universal language.

The idea of crippling competition is overdone. US is bolstered, not diminished, if other democratic societies do well. It's not a zero sum game -- e.g., if the Japanese find a cancer cure, we all gain.

"Americans are still different. We want an opportunity society; other people, a security society." They favor a fair share; we want a fair chance. They want equality; we want opportunity. Jobs elsewhere are seen as a meal ticket. Here they define us, are creative, offer accomplishment. Every option is always up for consideration, nothing is "inexorable." The question is...can we build a new consensus on this?

HOW CAN ORGANIZATIONS PREPARE FOR 1992? HONEYWELL'S APPROACH PROVIDES A MODEL

Over a year ago, Honeywell established a public affairs office in Brussels, seat of the European Community's Council & Commission. According to Heidi Looser, mgr int'l rels, internal/external awareness campaigns include:

1. Project Teams which analyze EC's impact on tech, mktg, public procurement, finance, tax, trade, research, human resources, pa & pr.
2. EC Coordination Council, meets monthly to a) define issues & gauge potential impact; b) id opportunities & threats, both legislative & environmental; c) develop practical action plans.

3. Specific PR Initiatives: a) development of a Euro identity via emphasis of long-term commitment, presence, employment of & service to Europeans; b) intensive efforts to update employees with newsletter "Euronews," documentation center, presentations and encouraging them to participate in seminars & serve on committees; c) more attention to social & fin'l issues -- important since labor unrest could heighten if plants close.

ALAR CRISIS: MONTH LONG TORNADO FOR APPLE GROWERS -- COULD IT HAVE BEEN LESS DEVASTATING?

Could the apple growers have been better prepared? "Yes & no," say Jo Cooper, sr vp Hill & Knowlton, & Tom Stenzel, Stenzel Int'l Food Info Council, both of DC. Bill Dobson, assoc dpr Proctor & Gamble, led the discussion about Alar. The issue was particularly tricky because it had not 1 -- but 3 emotionally-charged hot buttons: a) children; b) cancer; c) apples -- America's favorite health food.

Surprise Factor The apple industry, like other food growers, knew the Natural Resources Defense Council was releasing a report. It had no reason to believe the report would focus on the apple industry, and it didn't. The crisis came from a slant provided by tv magazine 60 Minutes, backup for which came from NRDC's pr firm. And Meryl Streep waited in the wings to lend high levels of emotional credibility (pr 9/11).

No Resources Ready Apple growers had made no prior alliances to deal with a consumer crisis -- even tho Alar had been suspect for years. Growers had little political clout or familiarity with DC:

- a) No roster of 3rd party endorsers who could give calming scientific defense to gain immediate consumer acceptance. Later, however, a pediatrician spoke for them;
- b) Potential allies, e.g. distributors, baby food manufacturers, supermarkets, were also unprepared, gave priority to protecting their own interests. Growers couldn't rely on One Clear Voice for apple safety.
- c) Politicians spurned initial approaches from the industry. Attitude was, "You cause cancer -- we don't want to talk with you."
- d) Scare broke before Bush had made appointments, so gov't departments dealing with health, food safety were in disarray. It took 3 weeks for US Surgeon General to issue a report okaying apples.
- e) Story was easy to localize in all media with endless potential for visuals & human interest. It created its own momentum.

How Badly Was Industry Hurt?

Immediate sales plummeted, but now consumer behavior suggests basic perception of product, based on centuries of experience, is surviving the confidence crisis. Question: recent poll says a large number see pesticides as a serious risk. Many say they are prepared to pay higher prices for no toxics, are willing to have less choice & less-than-perfect fruit. Will such conviction prove to be a behavioral reality -- or whimsy?