

2. Job Fair. Reps from all over the country set up booths at a convention center. Employees learned about other opportunities in Allstate while reps had the chance to meet experienced agents who may be willing to relocate.
3. Outplacement Counseling for those who didn't wish to relocate & were leaving Allstate. Also assisted spouses of those who would relocate.

"We've placed about 90% of our claim people in jobs within Allstate," Bob Murphy, corp comm, told pr. "Some relocated, some were absorbed in the New England area. It isn't a pleasant task having to tell people that their jobs are being eliminated, but we tried to help them find a new situation."

#### Of Related Interest...

#### BANK OFFERS PR LESSON IN HOW NOT TO DOWNSIZE; LEARNS FROM EXPERIENCE

Goldome Bank was bashed by hometown Buffalo for its methodology in laying off over 150. Harsh criticism

came from former employees who, according to Buffalo News, were told they had to sign an agreement not to sue in order receive to full severance.

It seems the restructuring was riddled with blunders thruout:

1. No communication with employees, who were worried about who would be next. Their comments at the time: "Everyone is sitting on pins & needles thinking it's only a matter of time for them too." & "This just rots. They're putting the screws in a little tighter all the time. Everyone is very nervous."
2. Severance agreement altered right before layoff. Previously, bank based it on number of years at the company. Under change, employees below top mgmt get flat payment of 4-6 weeks -- a big cut for 20-30-year vets.
3. Tight-lipped with press. Pres Thomas Cooper: "It is Goldome's policy not to comment on staffing levels because there is nothing positive to be gained. We never comment on any specific employee matters."
4. Release & Confidentiality Agreement was presented to all exiting employees, "I hereby waive, release & fully discharge & agree not to pursue...claims for relief & or causes of action I may have against Goldome." Bargaining chip was bulk of severance check.

Civil liberties advocates, lawyers & press joined in support of employees. Goldome finally rescinded policy & exempted those who signed the agreement. "This situation didn't endear Goldome to this city," a source told pr. "But at least they realized the error & tried to correct it."

"The policy was made to protect the company against disclosure of proprietary info," pr mgr Joyce Buchnowski told pr. "The way it was interpreted & the negative feelings which it generated made the whole thing counter-productive. People are fallible. We realized a mistake was made & that our policy was unacceptable to employees & the public at-large."

# pr reporter

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## CEO: "CORPORATE SOCIAL RESPONSIBILITY IS MORE THAN PHILANTHROPY; IT'S AN ATTITUDE & SET OF BEHAVIORS," INCLUDES FINANCIAL SUCCESS

"It's ineffective & hypocritical to give corporate dollars (that's corporate with a small "c" meaning all organizations) to a worthwhile cause, then operate in a way that doesn't serve the public interest," CEO Ian Rolland, Lincoln Nat'l Corp, told Public Affairs Council's Nat'l Community Rels Conference.

Attitude. Says we hope to operate in this community for a long time, so we treat our neighbors the way we want to be treated. "We're not in business to mine a community's resources, then turn a quick profit & steal away like a thief in the night. We will always try to negotiate in good faith with our communities, customers & employees."

Behavior. Within the constraints of the law & marketplace, we should tell the whole story honestly & candidly, even if news is bad. The public's right to know is greater than whatever embarrassment we might face as a result of admitting a mistake. "We should recognize the important role that gov't & media play in our continuing public support -- & respect their right to ask tough questions."

Rolland's tips for building credibility in the community:

1. Look at the long-term effects of daily business decisions on society.
2. Maximize effectiveness by forming partnerships with other private & public sector org'ns.
3. "No program of social responsibility will work unless the CEO is directly involved on a daily basis. My corp public involvement officer & I share the same philosophy. The function is autonomous, isn't tied up in red tape. Access to me is immediate & routine. If you truly consider social responsibility an integral part of your company, the social responsibility officer must be an integral part of the mgmt team."

"Never be afraid to admit all motives for engaging in corporate public involvement activities. Better schools, a new museum, drug treatment program all benefit employers just as they benefit the rest of the community. Profit is not a dirty word; earning profit is part of the responsibility we have to shareholders & employees. By acknowledging that upfront, we build much-needed credibility with consumers, media & other publics that are critically important to us."



**PRESS PICKS UP ON INCONSISTENCIES AS PROMINENT PRACTITIONERS TOUT "POWER BROKER" IMAGE; DOES THIS APPROACH HELP OR HARM THE FIELD?**

Consider from these examples how the press is interpreting pr, & how some practitioners present pr.

New York Times: Major pr firms are racing each other around the globe -- & quality service could be the cost. (Ignore headline's typical bias, "A New Campaign for Image Polishers.") Story claims "Public relations, like advertising, is a world where clients readily dump an agency for another that can better meet their needs." This is just the management fallacy pr must overcome: experience of the organization & understanding of the client's particular culture is the key, not continually educating new firms who promise more.

Across The Board: Practitioners will continue to run errands (e.g. fetching baseball tickets, as article demonstrates) "until the pr industry resolves the fundamental conflict between its traditional role as apologist for mgmt & its desired role of adviser. It remains overwhelmingly focused on how the existing way of doing business can be better 'communicated.' Clients never act greedily or stupidly in the pr person's world, they just explain themselves badly." Uses Valdez spill as example: "The most common recommendation from pr people was that Exxon's CEO should have rushed to the site. For all the stress on strategic counseling, no one talked about whether Exxon should've had better hiring or emergency response policies beforehand." -- ATB is Conference Board's mag.

¶Doug Hearle is quoted relaying John Hill's old bromide about pr's essentials being "having a good story & telling it well." But that equates to messengers, not strategists or counselors.

¶Much of the ATB article emphasizes what it calls "the other public" -- gov't. The old "who-you-know, not what" implication reigns.

¶PRSA prez John Paluszek is ridiculed for saying pr has an ethical mission to provide harmony. Naturally the journalist writing the story had to attack that -- tho research shows that's exactly what pr can & should do, for everyone's benefit. But we're not getting it across.

Meanwhile...

**PRACTITIONER CHIDES PEERS FOR AIMING AT PROFESSIONALISM**

Frank Mankiewicz of H&K's DC arm (Gray & Co) says in the ATB article the notion of public relations as a profession is as pompous as bartenders calling themselves "mixologists."

"A profession is a skill -- pr is not," he told prr. "Lawyers, accountants & doctors can be good pr people. All that's required is a sense of public opinion. A profession has standards & schools."

Hopeful sign: both articles dwell on need for training -- and applaud field's new desire for professional development. "We'll see public relations firms investing in training & development programs as never before," H&K's Claudio Belli told the Times. It's needed, replies Across the Board: Practitioners "may find that changing the way others think of them is relatively easy. The hard part will be to change the way (they) think about themselves."

What of accreditation & college programs that are ever-increasing in number? "PRSA, pr degrees, all of it's silly. If a person has a pr degree it indicates s/he wasted a lot of time that could have been spent studying worthwhile subjects like history or economics. It's about as useful as a degree in astrology. Well, maybe not quite that bad."

**ARE SMALL FIRMS AN ANSWER TO DELIVERING QUALITY WORK WITH PERSONALIZED SERVICE?** Small to mid-size pr firms do have principals who would rather practice pr than mind the store, says mgmt consultant A.C. Croft, formerly svp, Bozell & Jacobs. "Most independent practitioners are dedicated to client service, which is what led them to pr in the first place. When their firms begin to make money & grow, owners should plan & manage the business. Many don't want to do this -- it's not their thing. They'd rather continue to simply work with clients."

This seems to be what smart clients are seeking. But -- Croft says it is also a problem, since the business of running a firm must have more attention in order to truly serve clients well over time:

1. Mgmt orientation: Reluctance to delegate client contact & service to others leaves little time for planning, budgeting, training.
2. Planning & positioning: Operating on an ad hoc basis without a long-range plan can force mgmt to improvise under pressure, creating highly volatile & cyclical conditions. Firms should develop 3-5 yr plan supporting a unique strategic position. It's in clients' best interest to do so.
3. Profit leaks: Neglecting details of proper mgmt, e.g. monitoring employee productivity, analyzing individual client profitability & ensuring that clients are billed for all legitimate expenses (phone, postage, fax, copies & travel) affects profits. Seem minor but add up to \$\$\$.
4. Staff shortages: Increased demand for pr coupled with a shrinking supply of pros creates service problems & inhibits growth. "Make it easy for good people to find you. Build a reputation as a 'good place to work' & employ student interns productively."

"Many mgrs spend all their time with a big account. When it dries up, they must scurry like mad to find more business -- there's a huge gap in profits. Being dedicated to clients is great, but firms must learn to manage & plan for themselves as well."

**MASSIVE EMPLOYEE LAYOFF: INSURANCE CO DRESSES WOUNDS** When Mass. Allstate employees received Sunday morning calls informing them of an early Monday meeting, most were cued. The state had hiked rates in '87 & again in '88 -- other insurance companies were leaving en masse. Still, over 500 employees found themselves suddenly without a job & in crisis.

**Allstate Ameliorates The Situation:** 1. Player Draft. Claim employees in good standing were given a choice of jobs within the region. 115 were placed in 1 day.