

- 9 million jobs were created in the last decade, 60% were filled by women & minorities.

PRACTITIONERS RESPOND

A panel after Martin's speech added these ideas:

- **Frank Calamita**, svp admin & hr, Sony Music Entertainment, NYC: He questions whether we should be mourning the loss of the old social contract which required employees to check their brains at the door. The new social contract is a "**mutually beneficial partnership.**"
- **Ray Hoewing**, pres, Public Affairs Council, DC: "To a very significant degree, pa & pr people are reinventing the way they are managing their function." The new strategies are Quality, benchmarking, quantification & the need to align more effectively with the bottom line.
- **Jerry Climer**, pres, Congressional Institute, Inc., DC: The centralization of power that came out of the Cold War is no longer necessary. "Congress needs to quit dictating & start listening, listening, listening. Congress is no longer the 'elite.'" They are regular people & the public needs to direct Congress to get what we want.

MANAGING COMMUNICATION IN AN EMPOWERED ORGANIZATION

"At Levi Strauss we trust people to create their own solutions." A real open door policy provides almost unlimited access to senior management. Courses expose employees to the company's values & allow for comparison with their own.

Tho the company began implementing the changes toward becoming an empowered organization in '91, John Pachtner, sr mgr, told the PRSA conference they don't expect full implementation until '97 at least. Lessons learned so far:

1. **Face-to-face communication is the single most effective way** to communicate complex issues to employees. They need to be able to ask & answer questions.
2. **Paint an attractive future.** Nobody aspires to a bleak future unless forced to.
3. **Don't make promises you can't keep** -- it reduces credibility.
4. **Don't underestimate time** -- which also kills credibility. And don't fence yourself in. Be vague with dates (sometime in the next 6-10 months, not by the end of June).
5. **Be language czar.** To minimize fear, require clear, plain, simple language & prohibit the use of jargon, acronyms, invented words.
6. **Balance the information need among audiences.** Everyone should know as much as possible.
7. **You can't say anything too many times.** Have just a few key messages & repeat them over & over & over.

ELECTION LESSON: PERCEPTION & SYMBOLISM BANISH FACTS (AGAIN)

Practitioners who believe "getting the facts out" is a workable strategy will have to explain the U.S. election results:

1. Polls & pundits say voters swung to GOP because they want balanced budgets & smaller gov't.

FACTS: During Reagan-Bush years of GOP governance, deficit quadrupled from \$74B to \$290B & federal jobs rose from 2.9 million to 3 million. During Clinton's 2 years, federal employment declined back to 2.9 million & deficit was reduced to \$203B.

IRONY: Voters throw out those who were doing what they say they want, turn Congress over to the party whose record is the opposite of what they say they want.

2. Voters say they're tired of the way Congress works (illustrated by move for term limits). They want to change the influence of special interests & give the people a voice. Experts of all persuasions say that can only happen when the influence of money is removed thru fiscal reform.

FACT: Democrats put selves on line in final weeks of last session to enact fiscal reforms for Congresspersons. GOP leader Newt Gingrich proposed a compromise to make it bipartisan. Then when bill came to floor, he & GOP attacked it on exactly the items he asked to have added.

IRONY: Voters turn out those who were trying to do what voters say they want, turn to party that shot down legislation that would have done most to achieve it. And, new Speaker will probably be the trickster, Rep. Gingrich.

Supporters of the facts strategy have one good rebuttal. Democrats did a lousy job of getting these facts known.

A WOW CASE STUDY

Practitioners can profitably probe **what symbolic elements the Republicans employed, creating exactly which perceptions**, to cause such a seemingly irrational result. Perhaps it "just happened."

If it was a conscious strategy, it bears emulation as a master stroke.



THE FACTS THAT DIDN'T MATTER

| | 1980 | 1992 | Oct '94 |
|--------------------|------------------|-------------------|-----------------|
| Federal Employment | 2,866,000 | 2,969,000 | 2,859,000 |
| Federal Deficit | \$73.835 Billion | \$290.403 Billion | \$203.4 Billion |

Sources: Bureau of Labor Statistics, US Dep't of Labor; Office of Management & Budget.

SOME VOTER ANGER HITS AREAS OF VITAL PR INTEREST

Even as the Republican Contract with America pledges "10 common-sense reforms," a draconian Amendment 7 proposal in Missouri showed disenchantment also active at the state level -- as does Calif's illegal immigrant furor.

Amendment 7 failed. But put into practice, it would have dramatic consequences, according to Committee to Protect Missouri's Future: \$1 billion reduction in state services. Cutbacks would be felt in schools, prisons & other public safety programs, services that help children & the elderly, bridge & highway improvement projects. *Kansas City Star*, *St. Louis Post-Dispatch* & *Springfield News-Leader* all came out against it.

WHAT IS MOTIVATING THIS PHENOMENON?

Is it "mean spirited" as one involved person told prr?

A voters' rights issue? Frustration at the economy? Here's how public opinion weighs in on government spending, according to a March '93 USA Today/CNN/Gallup Poll cited in Project Vote Smart's "Reporter's Source Book" prepared for this election:

- 20% in '93 said they would pay more taxes for more services, compared to 12% in '91 & 5% in '78. Small, but statistically significant.
- 34% would prefer the same taxes for the same services, contrasted to 45% in '91 & 21% in '78.
- 41% would favor cutting services in order to cut taxes, compared to 40% in '91 & 67% in '78.

WILL POLITICAL CHANGE IMPACT NEW EMPLOYMENT CONTRACT?

PRSA conference (see last week's issue) serendipitously featured prominent Republicans **Murray Weidenbaum** & **Lynn Martin** -- key administration figures in the Reagan & Bush White Houses. Both spoke to the new social contract of workers in America. Their views suggest political change will only hasten the trend.

Weidenbaum highlighted overlooked counterintuitive items:

1. **WHY THEY DOWNSIZE.** An Arthur D. Little study finds 12% of companies say they are downsizing to increase shareholder value & profitability; 60%

say **real reason for downsizing** is improving employee satisfaction!!

2. **SURVIVORS.** Record high downsizing in 1994 has resulted in the shattering of the American Dream. As a result, attention has to be paid to the employees who are left on the job -- employee morale, productivity & thus profits plummeted after downsizing. **The negative impact counteracts the short term increases of downsizing.**
3. **UPSIZING.** "The largest group of companies in country are not those that downsize, but those that increased employment. It's not cutting back that's the challenge, it's how to increase. **Layoffs are no panacea.**"

WIDE SUPPORT FOR CONTRACT

He noted that leaders of Congress, White House, CEOs, unions, management consultants are all encouraging development of the new social contract.

- **Dick Gephart, House Democratic leader:** "If workers have a real stake in the company, if they share the rewards as well as the risks, then they're going to be more productive."
- **Leaders of Clinton administration** suggest that "job security has given way to employment security as a reward for satisfactory job performance," meaning management is to "equip workers to handle the next job, even if it's with another employer."
- **AFL-CIO** new model for workplace: redistribute decisionmaking from management to team of workers, but rewards for transforming work organization should be distributed on an equitable basis between labor and management.

LYNN MARTIN SEES GENDER A DRIVER

The most progressive companies (that will have most impact in the next decade) have changed the way they view employees.... **Companies that want to survive know their employees are assets, not costs.**

College graduates today will have 4-6 careers, unlike the 50s & 60s when people worked for the same organization their entire working life. That was right for that time, but now it's time to move on & embrace the changes that are occurring. One regards women in the workforce:

- In the 50s, women usually didn't work;
- In the 60s, there were certain professions that were acceptable -- teacher, nurse, secretary;
- Now, 50% of women with a child under 1 year old are full-time workers;
- There are increasing numbers of women in professional schools;
- In 1993, 5 times as many women-owned businesses were started than men-owned;

"Gender blindness is a ridiculous concept. It doesn't work. There are differences & we all know it. We need to accept it & work with it. We need to respect each other personally & professionally."