

tems, and that process takes much more time." Company has now merged the holding company & business development under a unified organization & is transferring learning from one unit to the other. Employees are reminded that this structure is "what makes sense for the current environment & could change again in the future." (Conference Board, 845 Third Ave, NYC 10022; 212/759-0900)

Steps for launching a change management initiative based on the cases & expert opinion reviewed for this study:

1. Take the time to do an accurate **diagnosis**.
2. Recognize the organization's need for **inspiration**.
3. Build an **information** infrastructure.
4. Make **persuasion** a priority.
5. Create **enabling** systems & structures.
6. Establish **accountability** at all levels of the organization.
7. Make **reinforcement** a way of life.

III. IPREX RESEARCH HI-LIGHTS STATE OF FIRM-CLIENT INTERACTIONS

Worldwide firm network finds 3 major trends, some now several years old:

- a) Greater opportunities to provide **counseling** at the senior levels of client org's
- b) Growing need to provide clients with an **evaluation** of pr efforts
- c) Increased **project work**

79% feel positive about pr business prospects. Attitudes are hinged on economic improvement in most countries & an apparent end to large corporate cutbacks in N. America. (More from IPREX, 212/481-3038)

IV. ORANGE COUNTY STUDY CONTRASTS WITH IPREX FINDINGS

114 Calif. practitioners (half of whom report to the pres/CEO) in org's with 100 or more employees see it differently. Study, commissioned by Paine & Assocs (Costa Mesa) & conducted by David Pincus & Edgar Trotter (Cal State-Fullerton), was done in 2 rounds: 1) mail questionnaire, 2) follow-up focus group.

- Contrasting with IPREX findings, trend receiving the most 1st place rankings is "effects of the depressed economy" (26) -- reflecting practitioners' anxiety over the effects of cutbacks, layoffs & budget compression.
- Second contrast: Number 1 trend last year -- measuring the impact of pr -- didn't make the top 5 this year. Practitioners strongly agree that pr (59%) & internal comms (73%) positively impact organizational performance. But are far less certain pr can be adequately measured to persuade upper mgmt of its value (42% agree; 44% disagree).

"Altho the measurement-accountability issue was not nearly as prevalent in this study compared to the first, practitioners' frustration with understanding how & being able to use evaluation research hasn't gone away."

"LEAN & MEAN" OR "DELIGHTING CUSTOMERS": WHICH IS IT?

CEOs love to describe how the layoffs & other easy-for-them moves will result in a "lean & mean" organization.

- Do customers want to be served by *mean* people?
- Was Shakespeare right when he warned against "Yond Cassius has a *lean* & hungry look"?

ONLY SEMANTICS & SYMBOLISM?

This misguided language could further expose how many established organizations -- especially big, "admired" ones -- succeed in spite of themselves due to sales & financial momentum. Or at least in spite of their managements. But as recent history shows, chickens come home to roost; make your own list of once successful giants gone or now troubled.

- What are customers, employees & communities to surmise when RIFs are a source of managerial pride -- "toughness." Tough on **whom**?
- What effect on the credibility of the business-financial establishment does it have when Wall Street **cheers** mass layoffs by sending up the price of the stock (pr 6/27)? Money for investors, family tragedy for many of those fired. Could the right leader rise in moral indignation & inflict retribution on such an anti-social, profits-ahead-of-people attitude? The auto industry said it couldn't happen when Ralph Nader came along...

Is there a connection between some executives' anti-people actions & the fact 87% of biz school students admit to having cheated on tests or papers -- the highest percentage of any discipline, according to *Lingua Franca*, an academic magazine.

WHAT'S WRONG WITH BEING FOR PEOPLE?

All their customers are. Even their shareholders & Wall Street analysts are. If anyone has an interest in opposing this anti-people philosophy it is pr pros -- whose very existence depends on a system based on *consent* of the people.

Fact is RIFs & firings are a managerial **defeat** -- showing managers aren't capable of **increasing revenues**, only the easy & cowardly move of cutting expenses. Direly needed: managers whose specialty is selling, real marketing, designing products with competitive appeal. Working on the income side of the ledger, not just the lazy person's expense side.

ROUNDUP: USEFUL FINDINGS FROM A RAFT OF CURRENT STUDIES**I. SHARED VISION, TEAMING MAKE PR/PA DEP'TS EFFECTIVE**

More than half of 24 companies in a depth survey "concur that the **existence of a shared vision** throughout their company was more important to the ultimate effectiveness of public affairs, corporate communications & other public relations initiatives than just about anything else," explains Byron Reimus, whose firm did the survey of senior pr/pa execs using in-person & phone interviews.

- **Attempting to be all things to all people** inside their organizations causes (a) losing focus, (b) burning bridges, (c) hearing what they want to hear, (d) dwelling on the past. In the process, many departments find they unwittingly erode their critical core skills.
- **Flexibly organized & managed departments**, in contrast, (a) foster a culture which exploits communicators' natural talents & instincts; (b) optimizes the use of core skills & fosters new ones; (c) ensures for flexible goal & priority setting; (d) places a premium on teamwork across specialists & generalists.

TEAMWORK BRINGS BENEFITS

Another study by Byron Reimus & Assocs compared skills audits conducted of corporate pa & comms dep'ts at 6 companies over the past 18 months.

"Specifically, we reviewed the responses to one of the base-line questions used in all 6 of the audits: 'What one recent project or assignment gave you the most satisfaction & why?' Typically, anywhere from a low of 15% to a high of 35% in any given department cite an **identical** project or assignment as giving them the most satisfaction.

- In one instance, no two of staff surveyed identified the same project. The general response was, 'We have so many projects & we are so busy that we don't have time to work together.'

- Comparing that situation against data from all the studies, several patterns emerged. In those departments where proportionately more respondents expressed satisfaction working on the **same** assignment together: (a) department morale was significantly higher; (b) turnover was lower; (c) the organizational structure was much less hierarchical; (d) a broader cross-section of employees were more articulate about the department's capabilities.

Survey response rates viewed as acceptable are changing. **pr** asked Kepner-Tregoe (whose study was the lead article 8/1) about the low response: sr execs, 5% return; non-exec, 7% return. "For a blind survey where you are not contacting people you know & there is no particular incentive to respond, we didn't find our rate of response disturbing. We found it typical," says Mary Frintner.

Correlating results from internal surveys at 4 of the companies found units where the incidence of satisfying & productive teamwork was higher also

tended to garner significantly better grades from clients when it came to creativity, productivity & delivering value.

Bottomline: "Increased formal as well as informal teaming, even among small groups of 2 or 3 people, appears to have a direct & positive impact on the operations of the public relations departments in this sample." (More info from Reimus, 40 Appleton St, Boston 02116; 617/451-0216)

II. BIZ GROUP REFUTES ANTI-PEOPLE APPROACH TO ACHIEVE CHANGE

"Change Management: An Overview of Current Initiatives," looks at results in 160 US & European businesses. 2/3rds say they have made significant progress in getting employees to focus on quality issues; half report major strides in boosting productivity & employee awareness of customers' needs.

But only 30% report major gains in increasing market share & **only 1/3rd claim success in winning employee commitment & increasing workers' adaptability to change.** Implications for practitioners:

- **"Vision & values** now serve as the glue that holds the decentralized organization together," points out Kathryn Troy, study author.
- "But it is one thing to recast a vision & values statement and another to make these changes a reality throughout the company. Some companies appear to be struggling with the realization that it is easier to transform structures & processes than people."

In interviews execs suggest strategies which help support adaptability:

- **Communication**, specifically helping employees, & especially middle managers, to make sense of what is happening. They need to see that mgmt is making a stream of coherent decisions. Leadership needs to tell them "here is the rationale for our business decisions; here are the conditions; this is our response."
- **Establish an atmosphere of mutual respect.** "It is important that employees know what is going on in the organization, ideally, before it happens. Particularly when it affects them," says the vp, organization planning & development at Baxter Healthcare. Since the '85 merger of Amer Hospital Supply & Baxter Travenol Labs "we have worked hard at getting the best structure, best people & a strong underlying **philosophy which says that we value people.** When we restructured in '90, we told people well in advance that we would be closing or consolidating plants. We trusted that if we told them, they would respond professionally. And we were right; our quality actually increased."
- **Create a parallel system**, which worked for BellSouth Corp. From '86 to '93, its business development headquarters org'n operated separately from its holding company hq. "We found that change occurred rather quickly in the new organization: physically, organizationally & emotionally," says the avp-hr. "We had to build a new infrastructure in the *development* organization. When we needed new skill sets, we hired individuals from companies not associated with BellSouth. There was excitement about a new organization, & adaptation occurred rapidly." In the headquarters business, "we have to change existing, embedded sys-