

*First Of The Year Issue*

## PREDICTION : '98 WILL SEE PR PROFESSION DECIDE ITS FUTURE

For several years the field has been undergoing 2 critical changes:

1. **Finding its way beyond print-oriented mass communication** practices that overcommunication, new technology and changing personal interests & values have made obsolete & ineffective -- toward relationship-building activities that can motivate stakeholder behavior
2. **Sorting out the role, size, personnel makeup, assignment mode & services** package of pr firms, while simultaneously reengineering the role, size, budget & accountability of internal pr dep'ts

As prr has phrased it, the field is searching for the balance between (a) communications products manufacturing and (b) strategic counsel & training of all members of organizations for their communications responsibility -- since relationship-building is everyone's job.

### WHY THIS MAY BE THE YEAR IT ALL COMES TOGETHER

- 2 major firms adopted slogans that are harbingers. Burson-Marsteller says its skill is perception management.

Ketchum touts its ability to change minds & modify behavior

- Harold Burson told a Boston U group recently that 35% of the firm's work is now strategic, which he expects to rise to 65%
- The proposed trade ass'n for pr firms is being formed in conjunction with leaders of PRSA's Counselors Academy, auguring a reasonable division between promotion & lobbying and professionalism; if it became just one more pr org'n, that would be divisive
- Pressure from consulting wings of accounting & mgmt consulting firms is forcing pr firms & dep'ts to move more boldly
- Outsourcing of communication products continues apace, resulting in leaner, more focused staffs and a growing cadre of specialists & boutiques to use for projects
- Strategy is the fastest growing element of internal dep'ts, according to Tom Harris' survey (prr 10/6/97)
- Budgets are growing almost everywhere, according to several studies
- PR is outperforming advertising & other techniques, especially in the sales arena as that moves to 1-on-1 relationship marketing



**NOT EVERYTHING IS ROSY**

- There's still a shortage of top flight pros to fill senior positions, which too often go to non-professionals
- Some trade pubs still argue that the role of pr is media relations
- Efforts to bring diversity to the practice continue to receive strong support, but have not yet found the key to attracting minorities in sufficient numbers that pr reflects the publics it works with
- Too much of the tactical followthru for bright new approaches like Reputation Mgmt is still old, tired, 1-way information transfer

**PR SOCIETIES HAVE MAJOR OPPORTUNITY IN '98**

As agents to unify the profession in its new direction, PRSA, IABC, CPRS et al have a chance to really prove their worth. For some it may be a stretch -- but the totality provide a powerful potential voice & venue.

- **PRSA**, the largest & pr's traditional bellwether, has unmatched resources -- if they can be targeted. It is beginning to recapture senior members lost sight of when it started to focus on membership quantity; and on beginner skills & glitz in its most visible symbol, a publication called *Tactics* that replaced the venerable *PR Journal*. It remains a US org'n
  - **IABC** has overcome financial problems, but still faces the challenge of becoming a truly functioning international org'n. *Communication World* has cut back some but remains among the best publications
  - **NIRI** & the **Arthur W. Page Society** are booming as smaller gatherings with plenty of focus & a large chunk of the profession's leaders
  - Regional groups like **FPRA**, **SPRF**, **TPRA** & others are holding their own, and can add strong voices to a consensus statement about the field
  - **CPRS** isn't growing much, but its programming is strong -- and it has far more sensitivity to the global realities
  - Specialty groups remain strong influences: **NSPRA** came out of its deficit hardier than ever, with a new owner-occupied HQ & vibrant programming; **CASE** is battering down the hatches for an assault on higher education now brewing -- but *CASE Currents* may be the best magazine in the field overall; **ARC** continues but may be well advised to find a partner due to its smaller size
  - **WICI** metamorphosed but as a collection of journalists, pr pros & others may have a lesser role in defining pr's future
  - **Foundations** affiliated with PRSA & IABC, plus the **Institute for PR Res & Educ**, are as strong as they've ever been in many ways -- if only they can now find a way to raise significant funds for significant projects
  - **North American PR Council** is there to coordinate, and has some notable successes like new universal accreditation & the uniform ethics code
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## INTERCONNECTEDNESS OF PROFESSION STIMULATES UNIFIED GOALS

As pr practice becomes very similar in every type of org'n, and socio-economic-political impacts are global in effect, practitioners in one area now need to understand & care about what's happening in the others.

- Corp pr cares about schools, because education is a business concern
- Since they are important supporters, school pr must know about corps
- Corp pr also must know healthcare, a major cost & employee benefit issue
- Higher ed pr has to know all the above, since they're taught on campus
- All interact with pr in NPOs, far beyond the United Way campaign level, because social responsibility projects lie there -- as does volunteerism
- All must understand gov't & its pr, as they attempt to influence policy

And on & on. Evidence of this is far easier access to jobs between industry areas. Practitioners move from schools to corps, from military to higher ed, from NPO to gov't etc.

### INSTANTANEOUS INFO ANOTHER PUSHER

Change in structure of pr units is responsive to the absolute

need for One Clear Voice -- in an era where something said to a single member of one stakeholder group can be worldwide within the hour.

- Boxes separating employee rels, media, community rels etc are either disappearing in favor of problem-solving teams -- or tighter coordination is introduced
- Influencing this movement are rightsizing & cost reduction, with smaller staffs dropping low-return tasks to focus on the Big Opportunities

Strategies like Total Relationship Mgmt, Integrated Com'ns & Reputation Mgmt turn these influences into positive programs. A strategy begins to emerge -- one that started in school pr & now fits almost everywhere:

### ----- UNIFORM 5-STEP RELATIONSHIP-BUILDING STRATEGY -----

1. **GO DIRECT** to stakeholders, around the 3 gatekeepers that want to interpret your message for you: media, politicians, special interests
2. **TARGET KEY STAKEHOLDERS**, the ones able to give supportive behaviors now or in the short term
3. **FOCUS ON REACHING THE OPINION LEADERS** in these groups, since they drive decisionmaking anyway -- and there's neither time, budget nor the mechanisms for reaching everyone
4. **USE THE EMPLOYEE FAMILY** as the outreach arm that builds relationships, carries out community & industry projects, satisfies customers, leads grassroots lobbying, serves as sales ambassadors -- the whole 9 yards
5. **ALL ACTIVITIES ARE LOCAL**, because all issues & concerns are -- but a network of local action adds up to a large national/global impact

## PROGRESS: STUDIES FIND EMPLOYEE RELATIONS NOW 2<sup>ND</sup> PRIORITY

The dictum *inreach before outreach* has never been truer. And rarely have practitioners had such an opportunity to deal with the major bottomline issues of just about all org'ns today as they have in concentrating on motivating workers. Prediction: the new direction of pr will make this primary. For now, surveys show the *opportunity*, at least, is recognized.

- 4<sup>th</sup> & final report of *Corporate Communications Benchmark 1997* from Northwestern U, ORC & Edelman PR (pr 3/31, 6/16, 8/25) looks at 6 functional areas as ranked by respondents in order of importance in achieving *corporate goals & objectives*): 1) financial com'ns & investor rels; 2) **employee com'ns**; 3) media rels; 4) crisis/issues mgmt; 5) corp branding; 6) public/gov't affairs.
- Tom Harris/Impulse Research found internal com'n 2<sup>nd</sup> only to media relations (by 2%).

## BUT REPORTED EMPLOYEE COMMUNICATION PRACTICES ARE BEWILDERING

Rampant skepticism & mistrust continue because the internal relations practices as reported have been shown ineffective in dealing with them.

The problem isn't transferring workaday info & data to employees, but truly communicating with them & hearing their feedback -- in order to build teams that grasp the vision & mission and show pride in what they're doing.

But the Northwestern study reported:

1. **Employee newsletter/mag** is still the favored means of employee com'n.
2. **Communication between employee & supervisor or mgr was not mentioned by a single participant.** 50+% indicated only moderate levels of involvement by supervisors & mid-level mgrs in communicating corp goals & strategies to employees; 30% did indicate high levels & 20% low levels of this form of employee com'n. Yet report states:
  - ¶ *"Survey data indicate there is a positive relationship between higher levels of involvement by supervisors & mid-level mgrs in the employee com'ns process & the overall effectiveness of employee com'n's programs.*
  - ¶ *"Furthermore, those companies that provide supervisors & mgrs with tools such as specific messages or corporate goals, com'ns training, & pre-packaged meeting content (such as videos, scripting, hand-outs, discussion guides, etc.) are also much more effective at having messages delivered & acted upon by the employee audience in a positive manner."*
3. **Only 33% measure employee satisfaction.** Effectiveness of those programs that measure satisfaction is higher (3.44, where 5 is highest) compared to 2.81 for programs that don't measure satisfaction. Virtually none measure employee productivity or retention.

## MAJOR REPORT FROM PRR EDITORS AVAILABLE NOW

A *Probing Look At Employee Relations Today: How To Shape World-Class Internal Relationships & Communications*, the third in pr's continuing series of special reports, is now complete. The 337-pg compilation is divided into three sections:

- **"The State of Employee Relations Today"** -- deals with the strategic importance of employee relations as a key aspect of organizational excellence. It examines the changing social contract in both the workplace & society, the effects of downsizing & diminished employee loyalty as well as the continual struggle to find a balance between worklife & homelife. Offers several strategies for re-engaging employees.
- **"Trends & Issues Affecting Employees"** -- extensive discussion of pr's role in re-engineering & organizational change. Close attention is given to trends toward participative management & increased employee involvement. Numerous current workplace issues are also covered, including work/family concerns, diversity, women, sexual harassment, ethics & the growing interest in soul & spirit in the workplace.
- **"Tactics For & About Communicating Internally"** -- practical methods of & recommendations for implementing trusted 2-way communication between management & employees. **Case studies** illustrating tactics are abundant in this, as well as the other sections.

(Available from pr; \$80; credit cards accepted for immediate shipment)

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## CASE: HAPPY EMPLOYEES PROVIDE CUSTOMER SATISFACTION & SALES

Without happy employees, it's difficult to build & maintain good customer relationships. **"Customers and our employees must feel like the irreplaceable stars of this business,"** says Jerry Welsh, customer experience dir at Gateway, the direct computer sellers (N. Sioux City, SD).

¶ In August, his idea to answer sales calls with a live human was instituted. 150 of them answer all sales calls during regular sales hours *on the first ring*, according to an article in Gateway Mag.

"When the goal becomes building a life-long relationship rather than minimizing cost, the price of live reception turns into an investment rather than an expense. And, when you consider that satisfied customers also bring in more business thru referrals, investments in service & relationship building become very cost effective." Customer referrals is Gateway's number-one source of new business, according to its CEO.

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## RESEARCH: POLLING NOW TAKING HEAT FOR FUELING MISPERCEPTION

Another foundation of the field, growing by the hour & bound to be part of the emerging consensus of what pr is & does, is research. But again, currently popular methods will require rigorous reexamination.

watercooler  
coffee pot  
plant  
office

Running a gov't -- or an organization -- based on what polls say stakeholders think has become increasingly dangerous in a *research* sense -- since people often don't know what they want, don't have sufficient info to answer accurately, don't follow thru behaviorally on their intellectual responses, can be misled by question order & other methodological issues.

Now, more voices are questioning listening too closely to polling findings as a *strategy & policy* matter.

- If the poll is king, asks a political pundit, why have elected representatives? In today's complicated environment, rarely do stakeholders understand the issue. They simply cannot keep abreast of huge topics like education reform, the national deficit, healthcare change & many others. There is a need for public officials & organizational managers whose role is to consider carefully the total outcomes of proposed actions.

This does not mean avoiding listening to stakeholders but rather using more enlightened research methods to probe their aspirations & behavior. The perils of polling reminds us that the need is for leaders & advocates, who facilitate democratic debate, which results in decisions the great majority can live with. **This is where public relations practitioners take their vital place in society.** Management by polls is a diminution of pr as well as of sound decisionmaking.

Polls discover gut-level "feelings of the moment." To pander to them equates to instant democracy, better known as mob rule -- quick passion over considered decisions.

- Says a leftwing candidate, the next 2 yrs will bring a struggle for the soul of the political party, "and its soul must not be a poll."

**POLLING STILL GETS NUMBERS WRONG & THAT CAN BE MORE THAN MISLEADING**

A right wing commentator pointed out early last year how far off the mark poll results

can be -- especially early in a subject debate. That segment of democratic populations who simply want to "go along" & be with the winning side are relieved of their responsibility to consider the issue when erroneous polls show one side far more popular.

- Case: polls in the '96 election showed Clinton over Dole by 16-30 points thruout the campaign. The vote, however, gave him a bare 8 percentage points. Even the final polls, taken the weekend before the election, gave Clinton a 12-18 point lead -- off by 50 to 125%.
- British pollsters got the outcome wrong in the '92 UK vote, when they predicted a Labor win that didn't happen. So in the '97 election they tended to be cautious. They reminded voters that the dangers in polling process must be taken into account -- namely the domain of sampling error, statistical glitches & the laws of probability. To say nothing of partisan polls with questions carefully worded to provide the best result.

