

AARP TOPS FORTUNE'S LIST OF MOST POWERFUL LOBBYING GROUPS

Upsets conventional wisdom that NRA is king in Washington. No. 2 may surprise some -- **American Israel Public Affairs Committee** -- but not those working on Mideast peace issues. Top 25 also includes:

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| 3. Nat'l Fed of Independent Business | 15. Nat'l Restaurant Ass'n |
| 4. Nat'l Rifle Ass'n | 16. Nat'l Ass'n of Home Builders |
| 5. AFL-CIO | 17. Nat'l Ass'n of Realtors |
| 6. Ass'n of Trial Lawyers of America | 18. Nat'l Ass'n of Broadcasters |
| 7. Christian Coalition | 19. Motion Picture Ass'n of America |
| 8. Credit Union Nat'l Ass'n | 20. American Bankers Ass'n |
| 9. Nat'l Right to Life Committee | 21. Nat'l Education Ass'n |
| 10. American Medical Ass'n | 22. Health Insurance Ass'n of America |
| 11. Chamber of Commerce | 23. American Council of Life Insurance |
| 12. Independent Insurance Agents of America | 24. Nat'l Beer Wholesalers Ass'n |
| 13. Nat'l Ass'n of Manufacturers | 25. Veterans of Foreign Wars of US |
| 14. American Farm Bureau Federation | |

If you're butting heads with any of these, or local affiliates, have underdog strategy ready. (More info in Dec. 7 Fortune)

ITEMS OF INTEREST TO PROFESSIONALS

- ¶ **NSPRA board voted unanimously to participate in universal accreditation** at its November meeting. Effective Jan. 1. Brings total to 8, including PRSA. (More from NSPRA at 310/519-1221).
- ¶ **Financial markets are "governed by the emotions of the people"** admits Merrill Lynch in ads urging investors not to worry about the current state of world economies. While recognizing that emotion may not be the best way to craft a stable economy, this is nonetheless one more bit of evidence that pr, not economics & statistics, rules financial markets. The drive to develop trustworthy, agreed upon non-financial measures to guide investment becomes more urgent each time this truth is pronounced.
- ¶ **Drive to have PR taught to Mgmt students** has one outlet in the award offered them by Ctr for Corp Com'ty Rels at Boston College. It "seeks to expose & open MBA students to the area of com'ty rels," says research dir Steve Rochlin -- & a prize of \$5,000 adds enticement. Major corps provide the funding: Clorox, Coke, Prudential, Pillsbury, Merck, Time Warner & the NBA (whose current strike could be a candidate for next year's case). This year's winner is a combo JD/MBA candidate at Oregon U's schls of law & biz. Hyundai story on pp. 2 & 3 of this issue is a synopsis of his winning case.
- ¶ **Great example of JIT com'n to motivate behavior** is breast self-exam card used as backing in packages of Hanes hosiery. Created by *Glamour* mag, card offers discrete place to show easy-to-follow illustrations for procedure. "Good looks start with good health" reads headline. Backing cards are necessary in packages, so Value Added & Loyalty Mktg benefits are free. Card also features other health tips on diet, exercise etc.

IF GENDER INFLUENCES EMPLOYEE COMMUNICATIONS, WHAT ABOUT WOMEN AT WORK?

Men need *status* to succeed in an organization (pr 11/30/98). But women succeed when they're *making connections with others*.

Author Deborah Tannen finds women want to establish relationships. Like men, women are part of hierarchies -- but these are formed on basis of friendship, rather than power & accomplishment. Women:

- **View conversations as negotiations for closeness**, in which they seek & give confirmation & support, & reach consensus
- **Minimize their differences** (in expertise) with other men & women; they try to be as comprehensible as possible. They want to maintain the sense of similarity & equal status; sharing knowledge helps even the score
- **Are more inclined to be givers of praise** than info
- **Speak the language of rapport**: establishing connections & negotiating relationships
 - Men are more comfortable with report talk -- talk that takes place in meetings & is more public. Women will play down their expertise rather than display it, because they seek to build rapport
- **Women accommodate more**, tho both men & women do make adjustments in conversation with each other. Tannen believes this is because women have less practice than men in conducting conversation the way it's being conducted in these mixed groups
- **Are more likely to phrase their ideas as questions**, take up less time with the question, & speak quietly with higher pitch
 - **Solution**: ask firmly & send message that this is an important question (true for both men & women). Ways of talking that are considered feminine are not associated with leadership & authority

GENDER DISTINCTIONS ARE BUILT INTO LANGUAGE

The words used to describe women & men are not the same words. Example: men "pass out," women "faint"; women "claw," men "punch" & "kick"; women could be "spunky" or "feisty"; men are not described this way. Our images & attitudes are shaped through language.



"BLIND DATES" WITH COMMUNITIES DON'T WORK; STEADY COURTSIPS DO

Companies today operate with their community's permission; to gain permission, they must build relationships of trust, says MBA student Kevin Baker in his award-winning case study *Facilitating Expansion: Hyundai's Blind Date with an American Community* (Boston College Ctr for Corp Com'ty Rels). Hyundai learned the hard way after announcing it was building a \$multibillion semiconductor plant in the college town of Eugene (Ore).

ISSUES HYUNDAI FACED

1. Fought with local environmentalists about building on **wetlands**.
2. Vocal minority in com'ty worried about **environmental pollution**. Despite Hyundai's low-level emissions, com'ty didn't understand company's processes.
3. Residents feared **community growth**; were concerned about water, electricity & traffic. Also about low salaries at facility. When low wage fear was allayed, com'ty complained of wage inflation. Com'ty also didn't like tax incentives offered Hyundai by city officials.

Cultural differences between Korean & US business practices contributed to Hyundai's problems. Plant was the company's first large industrial facility in US; execs were tight-lipped about company policies & wanted to quickly build a profitable facility. Hyundai's pushy, can-do attitude has driven past successes, but Eugene residents demanded open discussion of what the company was doing & were concerned about maintaining their quality of life.

Eugene wants civic growth, but isn't sure how much is too much. Ultimately, the com'ty was upset because they weren't part of decision-making process. Result: cynicism was high.

MISTAKES HYUNDAI MADE

1. **Lack of investigation & hurried timing** led to a site selection without full understanding of land-use regulations.
2. **Underestimated cultural differences** by using a South Korean model to formulate plans. Accustomed to working with Korean gov't, not American gov't, so expected city leaders to act as advocates in the com'ty. Also hired people from South Korea, which led to miscommunications within co.
3. **Didn't answer com'ty questions**. After announcing intention to build, Hyundai didn't maintain a continuous presence in Eugene to address com'ty fears. When construction began, the com'ty was already up in arms. Even when responding to questions, answers were unsatisfactory.
4. **Hired too many consultants**, received too much contradictory advice.
5. **Announced its intentions too fast**, keeping negotiations secret & panicking the community.

6. **Key com'ty leaders weren't involved with project**. Many city council members were offended not to be part of the process. Many objected to the plant, undermining the city's support.
7. **Unprepared to deal with the outcry over environmental concerns**. Cumbersome laws were passed to regulate Hyundai & other businesses.
8. **Com'ty concerns couldn't be addressed quickly**. Hyundai expected to answer questions as project grew but public demanded answers up front.
9. **Company agreed to high anti-pollution standards that it couldn't meet**, then asked for relief. Created perception Hyundai couldn't be trusted.
10. **Lack of strategic philanthropic giving**. Gave thousands of dollars to com'ty groups but didn't establish any criteria upfront. Donations received no attention. In fact, company was perceived as *taking* from the com'ty when it was a generous contributor.

BAKER'S 4-STAGE MODEL TO USE WHEN MOVING INTO NEW COMMUNITIES

1. **Arrival** -- initial intro of org'n to com'ty. Hyundai bulldozed its way thru a quick decision to locate & avoided building good relationships by being tight-lipped.
2. **Information** -- issues and concerns raised by corp and com'ty. Without a strong foundation in stage 1, Hyundai struggled to answer environmental & growth issues. Because corp would not -- or could not -- speak up, it couldn't distribute high-quality info to resolve conflicts.
3. **Control** -- legislative & administrative solutions forced by corp and com'ty conflicts (Hyundai is currently in this stage). If Hyundai had built relationships of trust & gathered quality info, it wouldn't have faced losing the project. Company now faces regulations that could prohibit or restrict future expansion.
4. **Integration** -- once org'n gets thru stage 3 without affecting its ability to produce & compete, it establishes a symbiotic environment in which each party can exist.

DEAL WITH PUBLIC CYNICISM BY

1. **Informing & educating** citizens about company and its impact on com'ty
2. **Incorporating citizen input** at beginning to avoid future problems
3. **Building corp image & reputation** by seeking awards, making positive statements about com'ty, demonstrating good corp citizenship.

LESSONS LEARNED

- 1) Don't rush into operation under pressure;
- 2) Don't expect city gov't to act as advocate;
- 3) Arrive slowly;
- 4) Choose less controversial manufacturing sites;
- 5) Understand that a good name is easy to lose and difficult to regain.