

3. Could lead to discovering better methods of com'n & educating publics
4. Could reveal the equality in "importance" of the publics & the management of organizations

¶ **Of related interest:** This week pr also received articles from 2 pr professors in China -- Liao Weijian at Zhongshan (Sun Yat-sen) Univ & Guo Huimin at the Institute of International Relations (& deputy sec'y-general of China Int'l PR Ass'n). The sophistication of pr is indeed worldwide.

## ITEMS OF INTEREST TO PROFESSIONALS

¶ **68 million mature Americans control 77% of the nation's financial assets**, according to Jesse Slome whose firm PromoWorks specializes in marketing to seniors. His *Publicist's Guide To Senior Media* identifies 1) top 200 senior newspapers, 2) senior sections of daily newspapers, 3) nationally syndicated writers & columnists, 4) senior-oriented news-letters & 5) specialty pub'ns. Also includes a section on "Communicating Effectively With Seniors." (130-pgs, from PromoWorks, 4165 E Thousand Oaks blvd, Westlake Village, CA 91362; 805/379-3910; \$34.95)

¶ **Tort reform & reining in outrageous trial lawyer practices** may be a cause for everyone who believes in social harmony -- or the primacy of the Court of Public Opinion. While pr works to bring groups together peaceably for resolution of differences, whether over policy formation or defective products, trial lawyers prey on prospective plaintiffs' emotions & potential greed in order to satisfy their own greed. Justice, for which the Law once stood, has become entrepreneurial. Consider: 1) Trial lawyers woo plaintiffs to cases with ads & Internet sites; this used to be derided as ambulance chasing. 2) Last week's *purview* reported that 2.3% of US GNP is spent on mass tort (class action) cases. 3) Lawyers for Texas' suit vs. tobacco industry -- which never went to trial -- will reap \$92,000 per hour, \$2.3 billion, if Congress enacts the tobacco bill as written.

¶ **Spin is becoming pr's unfavorable 4-letter word.** Bob Dilenschneider's WSJ piece 6/1 labeled it "pr quackery" mainly employed in politics. "Spin stands for fabrication" & "spin doctors are purveyors of deception, manipulation & misinformation," he wrote. Promos for the movie *Primary Colors*, "fiction" about the Clinton election campaign, ask "How much spin does it take to win?" A pr software company is named Spinware. A new biography of Eddie Bernays may be titled *The Father of Spin*. What term is acceptable for making a case, putting forth your side of the argument, interpreting data as your org'n or client sees it? There are always two sides -- at least.

## WHO'S WHO IN PUBLIC RELATIONS

**HONORS.** Yunqwook Kim (doctoral candidate, UFla) wins "SMART" Grant/Internship -- a \$15,000 award sponsored by Ketchum PR in cooperation with the Institute for

PR Research & Education. Kim's award-winning research proposal will focus on the impact of pr activities on corporate bottomlines.

## TWO PROGRAMS MEASURE EMPLOYEE / CUSTOMER SATISFACTION LINK

"Customer satisfaction is a direct derivative of employee satisfaction. If an organization has an employee morale problem, it will never be capable of delivering good customer service with the consistency, and at the necessary level, required for succeeding in competitive markets," writes John O'Malley of Strategic Visions (Birmingham, Ala), in *Marketing News*.

Awareness of the link between employee satisfaction & an organization's bottomline is "an emerging outlook" that has academics, consulting firms & leading execs "attempting to develop tools & techniques to measure the impact," notes the intro to the **Ketchum Relationship Index**, a new pr measurement tool developed by the firm's research & measurement dep't (Walt Lindenmann & Linda Pasachnik). Index shows factors which:

- most influence employee satisfaction & dissatisfaction
- most influence customer satisfaction, dissatisfaction & retention

Index enables organizations to understand the impact of a variety of employee-related factors on customer satisfaction & retention, which in turn can influence economic success -- since revenue growth has been proven to occur when both internal & external audiences feel valued & understood.

**DATA COLLECTION STRUCTURE** Consists of 3 components:

### Employee Satisfaction

1. Explore the views of mgmt & employees thru a series of focus groups. In most cases, a minimum of 3 sessions is recommended to get as wide a range of input as possible from employees in different roles & locations
2. After analysis of the results, move to a *quantitative* phone sample of employees (or mail, if there are budgetary or other constraints), which integrates what was learned in the *qualitative* focus groups

### Customer Satisfaction

3. After analysis of the employee research, conduct a quantitative phone sample of current & (if appropriate) lapsed customers, which integrates what was learned in the employee satisfaction qualitative phase

**DATA ANALYSIS PRODUCES INDEX** After data are processed & analyzed, an Index is built using findings from both quantitative surveys to *develop factor analyses & perceptual maps*, custom designed for each project.



**Factor Analysis:**

- used to reduce large numbers of attributes down to a manageable number of concepts which illustrate satisfaction levels of employees & customers
- performed twice -- once for employees, once for customers. Factors are arranged in descending order, based on relative importance of each

**Perceptual Maps:**

- used to illustrate the complex multi-dimensional relationships that exist between an org'n & its employees, or an org'n & its customers
- joint space perceptual mapping enables the condensing of a large quantity of data to display key relationships between groups & between attributes (More from Ketchum PR Worldwide, 292 Madison Ave, NYC 10017; 212-448-4213)

**THE GALLUP Q12**

Gallup research confirms the linkage between employee engagement & organizational success. Gallup has interviewed over a million employees worldwide. Analysis of employee attitudes across companies & cultures identified 12 statements that measure what matters most in managing the workplace. These statements (reproduced here with permission of the copyright owner, The Gallup Organization) are:

- I know what is expected of me at work
  - I have the materials & equipment I need to do my work right
  - At work, I have the opportunity to do what I do best every day
  - In the last 7 days, I have received recognition or praise for good work
  - My supervisor, or someone at work, seems to care about me as a person
  - There is someone at work who encourages my development
  - In the last 6 months, someone at work has talked to me about my progress
  - At work, my opinions seem to count
  - The mission/purpose of my company makes me feel my job is important
  - My associates (fellow employees) are committed to doing quality work
  - I have a best friend at work
  - This last year, I have had opportunities at work to learn & grow
- (©The Gallup Organization 1998)

**CORRELATION STATISTICS LINK THE 12 AREAS WITH BOTTOMLINE BENEFITS :**

**Productivity:** Business units with above-average employee perceptions of expectations (ie, know what is expected, progress discussed, have materials & equipment) have a 22% higher success rate on productivity measures

**Profit:** business units with above-average employee perceptions of reward/fulfillment (recognition for good work, opinions count, reward fulfillment) have a 27% higher success rate on profitability measures

**Customer satisfaction:** business units with above-average employee perceptions of talent (opportunity to do what I do best, opportunity to learn & grow, co-workers committed to quality) have a 38% higher success rate on customer satisfaction/loyalty measures.

(More from Larry Emond at Gallup, 609/924-9600; <http://www.gallup.com>)

**EMPLOYEES & OTHER NONFINANCIAL INDICATORS ARE MERGER KEYS**

In successful mergers & acquisitions, "Communicating with the financial community alone is not enough," says Ed Belak, head of Hill & Knowlton's US financial communications practice. Therefore, H&K has formed Transactions Asset Group to help corporations consummate mergers & acquisitions, then gain full value thru communications.

Group will use a proprietary approach, TransAction Plus, that recognizes the importance of regulators, legislators, media & employees in enabling mergers to succeed. Recent research supports this approach, finding:

- 34% of the 50 largest mergers that collapsed over the last 2 yrs, failed primarily for non-financial reasons, while an additional 8% failed in part due to non-financial factors (H&K study)
- Over a 10-yr period, 57% of merged entities lagged their industries in return to shareholders (Mercer Consulting data) [Practitioners take note]

**CULTURE INDEX GAUGES PARTNERS' COMPATIBILITY**

TransAction Plus includes a *Cultural Compatibility Index* that assesses merger partners' cultural differences & identifies the communications & other programs required to bridge the gaps.

"The key is overcoming cultural differences thru effective com'ns. Too many CEOs do deals that look good on paper, then expect the cultural issues to take care of themselves. Too often they don't. This tool will identify organizational issues that require CEOs' attention if a merger is to pay off as planned," explains Robert Berrier of Berrier Assocs -- co-developer of the tool. (More from H&K, 212/885-0570; <http://www.hillandknowlton.com>)

**"INALIENABLE LUBRICANT IN THE WHEEL OF STRATEGIC MANAGEMENT"**

International pr thinking is catching up -- or may be ahead of US & Canada. Case in point: "There is need for scientific approach to public relations as it is an inalienable lubricant in the wheel of strategic management," writes Sunday Odedele, mng dir, Petros-Faith Investment (Lagos, Nigeria) in an article he sent to prr. Would most N. American senior managers say that?

"Scientific method should be employed whereby it begins with a problem or need, classifies & analyzes data, & formulates a tentative principle or law which it then applies to determine its validity & usefulness." He notes the following implications of this systems engineering approach to pr:

"The first actual use of the phrase 'public relations' is thought to have been in 1807 when President Thomas Jefferson, drafting his 'Seventh Address to the Congress' in his own hand, scratched out the words 'state of thought' in one place & wrote in 'public relations' instead," writes Odedele. This fact, cited by a few in US, seems far better known overseas.

1. Provides a framework for increasing pr efficiency & productivity
2. Publics could be motivated to achieve better results