

"Media coverage & pr efforts surrounding the crash and search & recover operations demonstrated effective crisis communications. The net result is a better informed public & increased confidence in gov't agencies and their effectiveness in emergency operations."

## ITEMS OF INTEREST TO PROFESSIONALS

¶ **Panel points to issues and habits of college-age public.** Racial diversity at school, the environment & sexually transmitted diseases are the 3 top issues surfacing on campus today, finds a panel of 50 students at 50 colleges & universities across the U.S. "This was the inaugural year of this project, which we're using to keep our finger on the pulse of today's youth," says Rich Jernstedt, CEO of Golin Harris (Chicago) which conducts the program.

**Other findings:** 1) Average panelist spends 38% more time on the net than watching tv; 2) Girls read *Glamour*, *People* & *Cosmo*, boys read *Details*, *Playboy* & *Time*; 3) Both watch "Friends" & "ER", read *NY Times*, *Chicago Tribune* & *USA Today*; 4) Best brands are GAP, Abercrombie and Fitch & Pepsi. Panel will expand to 100 next year.

¶ **Corporate democracy movement will influence governance of all org'ns.** Practitioners need a grounding in its aims, methods (mainly behavioral pr strategies) & current state. Easy short course can be had in Hilary Rosenberg's *A Traitor to His Class*, bio of movement founder Bob Monks. Includes case studies (Sears, Waste Management, Westinghouse et al) of how he instilled activism in pension & mutual funds -- whose large, diverse beneficiaries & holders provide the basis for the argument that corporate boards should be democratically responsive to these owners, when usually they allow mgmt to act on selfish interests. CEO pay that is now 326 times the wages of the average employee is an example. But when CEOs pick board mbrs, this is inevitable. Trend toward separating chrm & CEO jobs is one impact. Also relates to importance of non-financial measures. This book provides a look into the future.

¶ **What do media managers know that pr doesn't?** Another media mogul who refuses to talk to reporters -- and demands all mgrs & staff follow an ironclad rule about it -- was profiled in *WSJ* 8/13. Indeed, Univision CEO Jerry Perenchio fired a sr exec because he gave an interview to *NYTimes*. Univision's share of the prime-time, Spanish language tv market is 91%. This is one of the most viewer-loyal, rapidly growing media segments. Research suggests Latinos are still far more media dependent than other audiences. Why would a com'ns co. have such a rule...? Remember the adage "Know thyself". Maybe media execs know their industry's real values.

## WHO'S WHO IN PUBLIC RELATIONS

**DIED.** David Speer, 72, co-founder Padilla and Speer (now Padilla Speer Beardsley) and former Minn. Commissioner of Trade & Economic

Development. Tho Irish, served as honorary consul for Finland for 14 years. He was also a leading U of Minn. volunteer for 25 years.

## WORKER TURNOVER: MANAGERS CLUELESS RE COSTS, CAUSES & CURES = HUGE OPPORTUNITY FOR PR TO ADD TO BOTTOM LINE

It's the new brain drain. Organizations are losing big on employee turnover -- and managers are in the dark about these costs, finds study by Kepner-Tregoe (Princeton, NJ).

- "One startling finding was that top management is clueless about what it costs to lose a worker," Judith Carrington of Carrington Assoc (NYC), marketers of the study, told prr. As for stopping this brain drain, management is at a loss for a cure.

### THE COST OF LOSING AN EMPLOYEE

Termination + hiring + re-orienting the new hire. "Replacing an HR mgr

in the auto industry can cost as much as \$133,803; a company that loses a highly skilled salaried machinist can deduct \$102,796 from its bottom line." The departure of a manager of a fast food restaurant costs about \$21,931. Other findings:

- **Growing trend.** Nearly 2/3rds of supervisors & workers say turnover has increased in the past 3 years. 52% of supervisors & 55% of workers say they have difficulty retaining high-performing employees. Over half of each group say turnover has a negative impact on the organization
- **Leadership responsible.** Nearly 40% of supervisors & half the workers say employees are not satisfied with their jobs. 52% of supervisors & 64% of workers say top management doesn't initiate programs to reduce turnover. Meanwhile, **56% of supervisors & nearly 3/4s of workers say they don't find leadership inspiring**
- **Who leaves?** While 64% of supervisors & 51% of workers say only 1/4 or less of leavers were "high performers," responses to other questions indicate their departure still caused a loss of experience & knowledge
- **Why leave?** Only 44% of respondents cited money among the 3 top reasons for flight. 56% said stars left because of limited advancement opportunity (33%), feeling under-valued (26%), conflict with supervisors (16%)
- **3-ring circuses.** 56% of supervisors & 36% of workers said they think about leaving their job at least once or twice a year. When asked to compare their org'n to: symphony orchestra, medieval kingdom or 3-ring circus, 59% of supvrs & 72% of workers picked the kingdom or the circus
- **What are organizations doing?** Smart ones initiate programs! 52% of supervisors & 64% of workers say mgmt has no program to reduce turnover. Among companies that have, activities include: flextime (57%), day care (39%) & perks like laundry service, pets at work, etc. (38%). Tho over



2/3rds of companies have instituted financial rewards, they were found to be ineffective by 29% of the supervisors and 40% of the workers. Still, such rewards were deemed most effective ploy by both groups

#### WHAT CAN PR DO?

Urge mgmt to address the need for: better compensation, the desire to feel valued, opportunities to advance, i.e. *the relationship side of employee engagement*

- 47% of supervisors & 69% of workers say their organization doesn't give financial rewards for good work -- *pr's counseling role*
- 40% & 59% respectively say they get no recognition for a job well done -- *something pr can correct quickly*
- 54% of supervisors and 61% of workers say their organization does not provide ongoing career development -- *pr's training & counseling role*

#### SEVERAL ORG'NS EMERGED FROM THE STUDY AS "RETENTION STARS"

Their managers are retention leaders (RLs). Carrington extrapolates 7 drivers for their success. These retention leaders:

1. **Don't manage retention, they manage people.** They manage the entire context in which people perform. "Among retention leaders, the emphasis is squarely on values & creating structures that are people-friendly"
2. **Have a culture of caring & a tradition of excellence.** High value is placed on integrity, ethical behavior & truth in all dealings -- including treatment of employees. On the other hand, they hold employees to a high standard of business excellence
3. **Have a stair-stepping process for conflict resolution,** offering alternative avenues that allow employees to avoid "flashpoints" with another employee or manager. Workers can circumvent their immediate supervisor, and top execs often have an open-door policy
4. **Take stock first, then action.** Such leaders look for early warning signs of turnover & people problems which allow them to discern "pockets of turnover" & take action
5. **Watch high performers & focus their efforts on them,** where the payback from lowering turnover is greatest. They tie rewards to performance
6. **View people management as a strategic business issue.** They know knowledge is the only sustainable competitive advantage. Employees are viewed as drivers of financial performance
7. **Constantly pursue improvement.** They view relationships with employees as "work in progress." They ask questions, solicit feedback, provide new rewards & recognition for job performance

Study surveyed 1290 employees (541 supervisors & 749 hourly workers) with 15 multi-part questions about employee turnover, especially among "star" employees. (Copies from Carrington at 212/317-0710)

#### RESPONSE TO KENNEDY CRASH SHOWS SOME LESSONS LEARNED

When John Kennedy's plane turned up missing, military & gov't pa officials went into crisis mode. Counselor Jeffrey Geibel (Belmont, Ma), himself a flight instructor, noted for pr some of the pitfalls:

- a) **Communicating would be tricky because of the technical subject.** "Most aviation stuff isn't reported correctly." He also notes the tendency for officials to use acronyms, a habit which slows communication & confuses people
- b) **People (or at least the media) were demanding information.** If pa didn't communicate clearly, quickly & honestly, the investigation could appear bungled or secretive

#### CHALLENGER: WHEN NASA BLEW IT

Geibel recalled when the world watched on tv as the capsule turned into a Roman candle, sending the entire crew to its death. What ensued was a 24-hour news vacuum before NASA officials stepped up to the podium. Similarly, when TWA Flight 800 went down, confusion reigned. "What I saw during the weekend of July 17-18 showed that some valuable lessons had been learned since Flight 800." These include:

1. **Don't leave a vacuum.** Almost immediately, Air Force & Coast Guard District Command in Boston dispatched a spokesperson. Tho only bare details were issued at first, no one hesitated to say "I don't have the answer to that," or "you are asking me to speculate and I can't do that."
2. **Use a trained spokesperson & stick to the script.** "Coast Guard Rear Adm Larrabee was especially effective in his briefings." Media responded by being well mannered & polite in their questioning. When one official lectured the media in a belligerent manner, reporters acted unruly.
3. **Keep it tight & stay on your turf.** Out-of-scope questions were referred to the proper agency. "This information discipline prevents a speculative remark by one group being played off another group. This is where the respective agencies really got into trouble following the TWA crash."
4. **Control the agenda -- but be generous.** Cut it off once you've said enough. By saying "two more questions," briefers could respond to questions but stay in charge, reporters don't feel cheated.
5. **Don't answer hypotheticals or speculate.** Especially appropriate during the technical questioning, which could indicate an out of control plane.
6. **Consider the audience.** Aviation specialists were smart in avoiding acronyms & complicated terminology.
7. **Skip transparently non-credible statements.** The officials didn't excel at this, since they kept insisting that all general aviation accidents were treated the same way. This was repeated to the media as late as Wednesday morning, July 21<sup>st</sup>. "The fact of the matter is that the Kennedys receive special treatment, and that really surprises no one.... Why the charade?"