

Chapter 9:

EMPLOYEE RELATIONS /

ORGANIZATIONAL DEVELOPMENT

An organization's ability to speak with One Clear Voice requires an integration of employees into the organization's culture. Employees must understand and be committed to decisions made and direction taken by management. Accomplishing this must be an integral part of public relations practitioners' responsibilities, Pat wrote again and again. He outlined programs, concepts and theories that can assist practitioners in bringing the organizational family together to achieve organizational objectives.

"Now you have a group of employees ready and able to build external relationships, to be effective ambassadors and speak with One Clear Voice."

– Pat Jackson, December 16, 1991

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O.D. (ORGANIZATIONAL DEVELOPMENT) CONTINUES TO ATTRACT ATTENTION
OF PUBLIC RELATIONS PRACTITIONERS AS SYNTHESIZING MANAGEMENT TOOL;
RELATIONSHIPS, COMMUNICATIONS ARE KEY SO IS CLEARLY PR'S TURF

Organizational development has three fit subjects, says Warren Bennis, leading writer & teacher about this technology of change agency: 1) the way leadership is structured; 2) the way information is shared, or isn't; 3) the way decisions are made. For public relations professionals who want to move behind communications to planning & decision making, learning OD is a direct path.

Basically OD is knowing how to diagnose & intervene. Two forces cause organizations to change: the environment (external, forced change) or planning & foresight (internal, managed change). OD skills applied within an organization enable it to manage change rather than being managed by it. How many public relations leaders (and CEOs) have given speeches on the need to manage change?

How many have the OD skills to achieve it? According to the membership list of the OD Network, the national organization of OD specialists, very few. pr's count shows 7 pr pros in the list. Most members are management consultants or personnel (human resource) executives. Yet the skills required to practice OD sound very much like those used daily in public relations:

SKILLS OF THE OD CONSULTANT	OPERATIVE ASSUMPTIONS OF OD
<ol style="list-style-type: none"> 1. Awareness of self & relationships. 2. Ability to assess group behavior. 3. Sense of timing: when to intervene. 4. Tact & diplomacy. 5. Awareness of others & their needs. 6. Ability to objectively diagnose the situation within an organization. 7. Knowledge of methods: planning, procedures, strategies, structure, programming. 8. Interpersonal communication skills. 9. Contractual skills: can manage time & budgets to do job, satisfy "client." 	<ol style="list-style-type: none"> 1. Organizational "growth" (in learning & functioning, not necessarily in size) is inherently healthy. 2. There are several problems which impede such growth: people, goals, environment, structure, ineffectiveness. 3. <u>The quality of personal interactions</u> is apt to be symptomatic of the problem and/or may be used to diagnose it. 4. Ability of people to define the problem will be a guide to the complexity of the problem. 5. But the problem is probably not as complex as people's conceptions of it.

Consulting skills can be greatly sharpened by use of OD tools, report practitioners who employ them. For instance, OD offers insights into the 4 systems that exist within every organization: 1) political, 2) economic, 3) technical, 4) social. Also the phases thru which counsel-client relations naturally proceed, from a) dependence to b) counterdependence (when the client temporarily rejects or doubts the counselor), on to c) independence (when the client wants to show himself & counsel that he can go it alone), then d) interdependence (the effective, mature relationship).

Opportunity to learn OD. PRSA's premier educational seminar, the Annual Institute, is devoted this year to OD. It takes place at Columbia's Arden House conference site in Harriman, NY, from Sept. 21-24. "Strategies for Communicating, Influencing & Managing Change" is the title. Five OD "names" will interact with pr leaders like Edward L. Bernays & communication theorists like Gerry Goldhaber to apply these techniques to a pr setting. Lynn Hill, chrm, says last minute reservations are available from Diane Stillerman, PRSA prof's dev'l coord, 212/826-1763. One fascinating topic to be explored is called "Managing Up" -- how to manage one's boss.

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MEET W. EDWARDS DEMING, WHO GUIDED JAPAN'S NEW MANAGEMENT STYLE;
HIS PRINCIPLES ARE PURE PR WITH CONSTANT STATISTICAL EVALUATION

Nothing can cover up poor quality in products, services or working relationships. 85% of all quality problems originate in the system itself, not with the workers, believes the 83-year old prophet of the quality revolution. Basic premise of his management philosophy is that as quality improves, productivity automatically increases. That's because improved quality means less waste, less rework, resulting in increased output -- plus fulfilled workers & satisfied customers.

His tool is statistics -- but he crunches numbers in ways that are compatible with human systems. He uses rigorous statistical analysis as a way to keep track of job functions, show production people whether the work being done is within tolerance limits, and find & analyze problems. It provides a way for workers to control the quality of their own work and manage their jobs.

The manager's function, says Deming, is to communicate with his or her own people, train & coach them in the use of these statistical processes, assist in solving their problems, work with them individually and in groups.

His philosophy requires total organizational involvement -- from workers to management. It requires leadership: "The American idea is that a good manager is one who makes a fast dollar. That makes no contribution, and doesn't put American industry ahead. Leadership consists of looking into the future, believing that there will be a future, not just trying to make a fast profit."

He offers 14 points for managers that are applicable for all organizations -- profit or nonprofit, public or private, manufacturing or service:

1. Continually improve products & services. Think in terms of the future. An organization's job is to stay in business and provide jobs thru innovation, research, constant improvement & maintenance.

2. Adopt the new philosophy. Commonly accepted mistakes, defective products, poor workmanship and inattentive, sullen service are roadblocks to better quality & productivity.

3. Stop depending on inspection to achieve quality -- build it into the product instead.

4. Don't award business on the basis of price. Insist on meaningful measures of quality too. Eliminate suppliers who can't show statistical evidence of quality.

5. Find problems in the system and improve them. This is management's constant responsibility.

6. Use modern on-the-job training methods.

7. Improve the supervision of production workers. Concentrate on quality rather than numbers. Aim of supervisor is to help people do a better job.

8. Drive out fear so everyone can work effectively together -- feeling secure, not afraid to ask questions.

9. Break down barriers between departments. Each must understand the needs & purposes of the others and work as a team.

10. Eliminate slogans that aren't backed by methods. By themselves, slogans won't help workers do a better job.

11. Eliminate numerical quotas. They take account only of numbers,

not quality. And as usually used, they are a guarantee of inefficiency & high cost.

12. Remove barriers that stand between hourly workers and pride of workmanship -- e.g. misguided supervisors, faulty equipment, defective material.

13. Institute a vigorous program of education & retraining.

14. Create a structure in top management that will push every day on the preceding 13 points.

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MORE ORGANIZATIONS FINDING MISSION STATEMENT TOO LIMITED; NEEDS COMPLEMENTARY PIECES TO HUMANIZE AND VALIDATE RHETORIC

First, certain organizations began supplanting mission statements with “vision” statements. Others issued “values” messages or lists – usually suitable-for-framing, as befits such basic cultural material.

Now a hierarchy of “essence” material has been defined. Each piece has a specific role in telling internal and external publics what your outfit stands for. Together, they offer a fuller explications – and overcome the main criticism leveled at mission statements, that they are too limited and can be perceived as a mere exercise.

- **Vision:** dream, ultimate goal, just over the horizon;
- **Mission:** why we exist and what we offer to society in order to earn public consent to prosper;
- **Values:** guides to conduct, underlying beliefs, ethics, our humanity;
- **Strategy:** how we'll accomplish it.

To make the culture a reality throughout the organization, **departmental and work group mission statements** are increasingly used. When these tools are created participatively, written appealingly and communicated repeatedly, they provide the basis for building trust. Trust can only occur, of course, when **actions and policies** match these fine words.

The latter is particularly important. It adds realism and shows the job is doable. Without it, the others often read like pie-in-the-sky, or appear insincere. Two other useful devices in codifying organizational culture are:

1. **U.S.P.:** unique selling proposition; what we offer that others don't. This may be no more “unique” than being the only hospital on the east side of town – but whatever it is, both **positioning** and **audience targeting** spring from it. It is therefore essential to marketing and public relations.
 2. **Motto:** who will disagree that a potent slogan, which captures the culture and announces it memorably, is a marvelous tool?
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Vol.31 No.34
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EMPLOYEE LOYALTY IS IMPORTANT, NO MATTER WHAT JACK WELCH SAYS, BECAUSE IT REACHES BEYOND THE WORKPLACE

When highly visible CEOs like GE's Welch denigrate loyalty, how should professions more in tune with human relations respond? "Loyalty to a company, it's nonsense," he claims. If he means not being loyal when the organization is clearly wrong, that's enlightened. The "my company right or wrong" approach has done great damage to many.

But the evidence seems to be he does not believe in being loyal – as his many well-documented firings and other anti-personnel acts attest. "Neutron Jack" they call him; like the neutron bomb he kills the people but leaves the real estate standing. While he has his strategy and explains it well, Welch is the bellwether of the "people don't matter" or "employees are interchangeable parts" theory. This is consistent with the current Wall Street ideal of "get mine, no matter the price to society or to others." Some implications of such shortsightedness:

LOYALTY EQUALS CIVILIZATION

1. Teamwork and cooperation and trust are the **basis of community**. Peter Drucker notes

(prr 5/9/88) that every organization is, first, a human community. People make organizations, not dollars or products.

2. If loyalty to a company or employer is unimportant, doesn't it follow that **loyalty to country, society, church, etc.** are also unimportant? Without an organized society, there would be no need for businesses or managers – nor a chance to "maximize profit" or "cash in on assets" or even to "be #1," as Welch says he wants to be. Therefore, loyalty to society precedes all else.
3. Organizations, after all, are where we invest our energies, talent and time. Do we want to feel it's for naught? Anthropology teaches that loyalty **flows to where we spend most of our time** – meaning work (and family). If employers fail to return that loyalty, eventual explosions are predictable.
4. Because we are **social animals**, loyalty is basic to our psyches. It's not going too far to say that people who cannot feel loyalty are mentally unhealthy. Good workers and managers need sound mental health.

Does the world of business or making money supercede these basic tenets of living? If so, then by definition business is uncivilized. Is Upton Sinclair's "The Jungle" being recycled in our times? It is interesting to note that GE also gave us Taylorism and Boulwarism, earlier versions of this worldview.

COMPARE IBM'S APPROACH

Economics columnist David Warsh touts Big Blue as the opposite pole: "undertaking an enormous retraining effort to avoid layoffs." Reason: "Layoffs are themselves expensive...recruiting and training investments are lost. Unemployment insurance costs more. Quality of production declines. Community relations are impaired. The full costing of these intangibles should be weighed against the pink slips."

Perhaps the precept that, "It's easier to keep a present customer than to win a new one" should be joined by, "It's better to retain a present employee than get a new one." Any practitioner who has ever

done even amateurish cost accounting on replacing an employee knows it's one of the most expensive moves in business.

¶ IBM's people-first tactic is described in *The IBM Lesson: The Profitable Art of Full Employment* (Times Books; \$17.95) by Harvard Business School prof D. Quinn Mills.

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GE'S JACK WELCH MISQUOTED ON LOYALTY, PR DEP'T SAYS

It's only "a paternal, feudal, fuzzy concept of loyalty" he opposes, according to an internal document circulated after the *Wall Street Journal* reported critics are questioning his "ruthless" methods (prr 8/29/88). He sees loyalty as "an ongoing voluntary compact that is continually renewed – in effect, loyalty toward a shared set of personal standards and values."

Wrote the CEO: "My concept of loyalty is not 'giving time' to some corporate entity and in turn being shielded and protected by it from the world outside. To me that use of the word is 'nonsense.' Loyalty is an affinity amongst people who don't expect to be sheltered from an increasingly competitive world; they want to grapple with it and win in it and ask only for fair and respectful treatment if they do not. Their personal values and dreams and ambitions cause them to gravitate toward each other and toward a company like GE that will give them the resources and the opportunity to flourish and win."

COMPETITIVE PRESSURES HAVE ALTERED LABOR-MANAGEMENT RELATIONS; UNION GAINS IN NEW SECTORS SUCH AS HOSPITALS AND COLLEGES, EVEN CORPORATE OFFICES, PARTLY DUE TO THEIR PR EFFORTS

Intense competition – driven by foreign companies, deregulation, non-union firms – has put pressure on union labor's wages, job and pension security. In some cases, disputes may have 1) **threatened public safety** (e.g., accusations by unions of maintenance shortcuts at Eastern Airlines); 2) **crippled local economies** (e.g., in one-employer towns); 3) **forced plant closings and even some corporate bankruptcies**.

Enormous public relations challenges exist both for management, which seeks to remain cost-effective, and for unions, whose chief concern is preservation of jobs and wages. The union movement as a whole is also worried about the continuing decline in membership and what that represents in terms of reduced influence.

IMPORTANCE OF HEALTHY UNION RELATIONSHIPS TO MANAGEMENT

organizing targets include office and clerical workers. This trend will force many organizations with no prior direct experience with unions to an abrupt recognition of their need to deal with an organized labor constituency. At Harvard, American Federation of State, County and Municipal Employees recently won a vote in its 10-year effort to organize lab assistants, librarians and other support staff, following Columbia and Yale unionization.

1. Unions broaden attempts to organize employees. To counteract declines in membership among manufacturing workers, key

“Blue-collar” perception of union members is changing. Today they are teachers, nurses, librarians and increasingly office workers. Fact is fastest growing segment of union membership is service and white collar workers. New recruits represent groups previously not organized including women, minorities and part-time workers. Electrical, steel and auto workers unions now have special sections targeting these groups.

2. **Increase in secondary boycott activity.** Even organizations that have no direct dispute with a union may face union opposition due to “secondary boycotts.” E.g., to attract more sympathy to their situation, striking paperworkers at International Paper called for union boycotts against Bank of Boston, Avon, Anheuser-Busch, PNC Bank. Basis for the boycotts was that these organizations have board members also serving on IP's board. Though Bank of Boston claims no major pull-out of funds has resulted, the incident did require a strategy to deal with the media and other constituencies to limit possible damage. Paperworkers union claims it has evidence that over \$1 billion in pension funds has been withdrawn from PNC Bank.
3. **Maintain healthy community relations.** Strikes, work slowdowns, plant closings can infect long-term damage into an organization's community relations. In one Maine town of about 5,000, approximately 3,000 people have been affected by a 15-month strike against the town's major

employer. In addition to general bitterness, strikers are now electing themselves into important town positions and using town politics (i.e. new environmental ordinances) to put pressure on the company.

4. **Good employee relations pay off.** Compare acrimonious situation Eastern is battling with the effort of Delta Airlines employees several years ago who chipped in to buy the company an airplane during troubled financial times. Key is to deal with employee concerns before they are problems. **Biggest union issues now** according to AFL-CIO spokesperson Lorrie McHugh: a) job security (against cheap foreign labor and automation); b) childcare ("by 1990, women will represent 50% of the workforce, putting childcare off the charts"); c) childbirth and medical leave; d) drug testing, lie detectors and other invasion of privacy issues.

UNIONS NOW MORE SOPHISTICATED IN USE OF PUBLIC RELATIONS

To combat a negative image of unions as corrupt or anti-business, labor movement in recent years has been forced to recognize value

of pr in influencing public opinion (pr 11/24/86). Examples of efforts include:

1. **Major communications campaigns.** AFL-CIO launched \$13 million "UNION, YES!" campaign to a) raise the level of public understanding about unions; b) increase the predisposition of new generation of workers (20-40 year olds) to join; c) promote the benefits of belonging; d) help union members feel better about themselves. Major radio campaign in key markets attempted to persuade senators to override Reagan's anticipated veto of the trade bill.
2. **Use of pr in organizing campaigns and negotiations.** "Increasingly, unions will have to mount their own pr efforts in order to counteract the money that management is pouring into anti-union pr campaigns," McHugh told pr. United Paperworkers International hired Ray Rogers (who aided unions in J.P. Stevens, Hormel situations). When union felt company wasn't being direct with stockholders about amount of money lost due to labor disputes, union sent its own report to 115 major stockholders, warning them of a possible multi-million dollar loss.
3. **Media Training for Union Stewards.** Bigger budgets and sophistication about the media used to give employers the upper hand in disputes, but unions have smartened up. Machinists union runs an annual weeklong communications training workshop featuring a) how to write letters to the editor, b) mock press conferences and talk shows, c) simulated picket lines, d) how to deal with hostile reporters. Role-play exercises are videotaped and critiqued.

"Communications training has been tremendously helpful. Our people are now getting the union side of the story heard. Now the media has someplace to go to get a counterpoint to the employer's view." — Jim Conley, spokesperson, International Association of Machinists

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CONTINUING PR EMBARRASSMENTS RENEW THE MANDATE: PRACTITIONERS' FIRST RESPONSIBILITY IS TO MONITOR, AND BE FULLY INVOLVED IN, DAILY OPERATIONS – OR ELSE!

Proactive public relations begins in continually investigating the daily routine of the organization – yes, even if that means “getting in the way” of line execs. Everyone agrees sound media programs no longer mean sitting around waiting to answer journalists’ inquiries. Instead, strategic publicity plans deliver the info to them. The same approach applies here. Instead of waiting for gaffes to occur – damaging reputations and bottomlines – pr can **monitor operations for impact on reputation and relationships**.

WHY MONITORING OPERATIONS IS JUSTIFIED

1. **Short-term profit management is short sighted.** Valdez spill, TMI, Love Canal, Bhopal can wipe out a decade’s profit, maybe cripple or kill the organization
2. Every outfit, whatever its size, has its made-to-measure version of such a **disaster waiting to happen**. Practicing public relations means having all the possibilities charted and monitored.
3. Even in a micro sense, **little goofs that lose customers** are too costly to put up with. It is five times more expensive to get a new customer than keep a present one (pr 5/30/88).
4. **Operating employees are the organization.** Their routine interactions with one another and with external publics is where public relationships are made or broken. Publications, advertising, publicity, opinion leader projects – nothing can override this. You can spend millions **telling** me your product/service is superb, but when I **experience** a lapse in your claims, all your fine words have in fact made it worse. Shouldn’t pr have a role in checking to see that quality is “as advertised”?
5. Doesn’t pr have an ethical problem when it tells how great the product/service/organization is **without being certain that it’s true**?

Public relations is under criticism for being a band aid pasted on after the screw up. Business author Moira Johnston in a speech to California’s Commonwealth Club: “Exxon, I suspect, sees [the Valdez spill] as a ghastly nightmare. Yet Exxon’s primary mandate is still to make a profit. Like most corporations, it has not absorbed global social responsibility into the pores and bloodstream of its culture; it still manages ecological disaster as a pr problem. It is not alone.”

COROLLARIES

1. This is why **pr must be part of the CEO’s office**, cannot be relegated to marketing or hidden down the organization. This assignment requires clout only available at that altitude.
2. Like it or not, pr thus returns to **being “the conscience of the organization”** – or, if you prefer, the inspector general. It needs be so because relationships are at stake – pr’s basic responsibility.

3. **Ethics and culture programs are pr's cutting edge.** It takes both for smooth operations since some folks will just mess up, others do it willfully. Which was at work when computer tapes of the spill were erased at Exxon's Houston office?
4. **Participative techniques** like Customer Satisfaction Models (pr 5/430/88) and Constituency Relations (pr 6/15/87) help deal with the fact most issues/crises arise from glitches in common operating procedures.

"MY ORGANIZATION RIGHT OR WRONG" IS NOT LOYALTY BUT DISASTER

are not part of decisionmaking. Or that practitioners are not persuasive counselors. Or daren't risk doing the whole job – which is to add value by bringing a different perspective to bear. [It will be instructive to see whether Exxon pr folds are scapegoated to cover up managerial failures.]

The Valdez incident is a learning laboratory for practitioners. Even after the spill, when statement after statement proved untrue, the company was caught out once again when the ship – loudly proclaimed clean – was barred from San Diego harbor because it was again leaking oil.

Seabrook nuclear station, finally granted low power testing, immediately has an "incident" – involving failure in normal operating procedures. It is shut down by NRC. PR has to deal with it; but was pr involved in decisions that might have avoided it?

Some argue they must go along with what senior managers are doing. If so, this is indisputable evidence public relations values

"The real causes of the Exxon Valdez disaster were pedestrian," says Alaska's official report. "There were simply arrogant and complacent people at the top levels of Exxon Shipping Co. and Alaska Pipeline Service Co." **Practitioners must be the gadflies, assumption deflators, complacency destroyers.** No one ever said professional pr would be easy!

TWO OTHER TACTICS

- A. **Issue Anticipation Teams** can involve operations managers as members. By including operations monitoring as a key IA focus, they may well be the ones who notice the weak spots – which pr has thus helped to fix without taking the heat.
 - B. **Feedback systems**, whether tough stuff like whistleblower programs or easier items like hotlines, provide a mechanism for involving operations workers in stopping problems before they occur. A side benefit is the impact on employee morale.
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PR'S ROLE IN CULTURE CHANGE HIGHLIGHTED BY NEW PARADIGM: IT BEGINS WITH PARTICIPATION

The pace at which the change process takes place, as well as the assimilation of new culture, varies with the organization and the circumstances. While there are no shortcuts, one model of intervention flow – in which pr plays a key role – makes every step of the process smoother, and sometimes quicker.

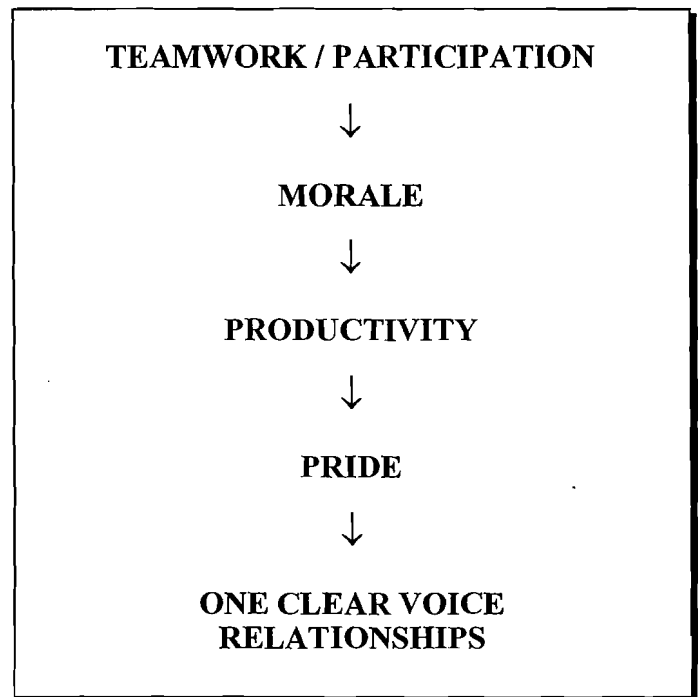
Rationale: To alter culture, whether to introduce new elements, eliminate outdated ones or just generally tighten relationship and communication (e.g. Quality programs), the first step psychologically must be participation. Reason: people won't own the change otherwise.

The best participative management style in most cases will be some form of teamwork-building or team tasking (e.g. Issue Anticipation Teams, School Community Relations Teams and similar).

Morale is in many ways self-generated, based on personality and attitude. But even the most upbeat person cannot keep high morale if teamwork is not present. Disparate agendas, turfing and other anti-teamwork actions kill morale. But teamwork builds morale.

When high-morale employees work as teams, **productivity** tends to increase. And when a group or organization has high productivity, **pride** bubbles out; you cannot contain it. They tell everyone how well they're doing, how proud they are of the organization's accomplishments.

Now you have a group of employees (or members, if it's an association) ready and **able to build external relationships**, to be effective ambassadors and speak with One Clear Voice.



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HOW TO DEAL WITH EMPLOYEE MISTRUST, RAMPANT AT ALL LEVELS, AND RESULTANT EROSION OF MORALE, PRODUCTIVITY, PRIDE? WHAT EXACTLY SHOULD PR BE DOING?

The problems of Organizational America are structural, not subject to patching up – doing the same old thing only better. Executives fail to lead or set wrong-headed goals, then fire *workers* when predictable failure occurs. Profits fall and with them shareholder value, but *CEOs* reap mega-millions for achieving failure.

The list is long and familiar, but the effect inside organizations is clear: mistrust, leading to low morale, productivity and pride.

Some places a new kind of manager is struggling to reinvent the organization. Even there the general malaise can seep in to be a barrier. Some ways pr can help attain this desperately needed new direction:

1. **Start by checking your organization's semantics.** Do words like "quality" or "culture" bring cynical smiles? Try substituting "continuous improvement" and "effective organization." Better yet, show there's something in it for employees by reintroducing "QWL – quality of work life." Read some of the garbage being produced (often by pr) and the need becomes obvious.
2. **Internally, focus on lateral communications.** Top-down and bottom-up both reinforce hierarchy, while horizontal, teaming organizations require info exchange between sectors and groups so everyone knows what everyone else is doing. This is far more important, operationally, than any other communication. (And a chance to highlight Role Models.)

Many report a sign of success is when cynics say "They'll probably RIF me eventually, but at least I'm having more fun while I'm here."
3. **A manager's newsletter or equivalent** is another lateral form becoming valuable – since this group needs special info and advice that can be conveyed directly to them.
4. **Get a role in training and assisting managers/supervisors.** Their most vital task is interpersonal communication with co-workers – and pr is the best supplier. Fight for it if necessary; don't let HR or Training own it all. (See [pr 3/25/91](#) for a company in which this has taken top billing for the pr unit.)
5. **Help management realize Fear is a necessary step between Entitlement and Earning**, as Judith Bardwick explains in *Danger in the Comfort Zone*. Not fear of inept managers, but honest anxiety about competition, earning one's keep and achieving excellence. "Productivity is very low when the level of stress is either very low or very high." Entitlement related to job comfort, unrealistic expectations and risk-avoidance are killing organizations, she argues. But so is the wrong kind of fear resulting from restructuring, downsizing and out-of-touch execs – which breeds preoccupation with "protecting – rather than doing – the job." Rewards work when they are balanced with punishments since this creates a climate of accountability.

6. **Take the lead in creating a Risk Contract within the organization.** Bardwick feels balanced risk is key, whereby people can't take rewards for granted but they're there for those who meet reasonable goals and accept the challenges of teaming and participating. Old ways make many reluctant to take any risk. So design a "contract" that concretely sets forth what kinds of "risky, go-it-alone" behavior are ok – coupled with a strong managerial pledge to honor the contract. Then have everyone sign it, publicize it continuously, post it, etc.
7. **Be a strong voice for the bottom-line power of enlightened employee relations.** Even more vital when times are tough. Worth investing serious budget dollars. Whatever your portfolio, this affects your work because all other publics are subject to being impacted by employees – positively or negatively. Employees must be the #1 public.

Arnold Hiatt, who pioneered day care, parental leave, wellness and similar programs as Stride Rite CEO – while making record growth – gives this valedictory on retiring next month: *"The only natural resource we have is people."*

GET BACK TO BASIC VALUES, BE "NOT VERY SOPHISTICATED"

That's how an analyst described McCormick & Company, the highly-profitable \$billion spice merchant. "It's right. We aren't," replies the

annual report, because "we still understand that employees make the difference." The CEO's letter describes the 50th anniversary of C-Day, when employees work a full day for charity and their wages are matched and donated. His remarks end by saying thanks to customers, shareholders, "and to our employees we say again, 'You are the greatest!'"

Incidentally, the HR exec is titled vp-human *relations*. In 1932, McCormick pioneered participative management, described as "a belief in 'the power of people' (which) recognizes a) the dignity of the individual, b) the dynamics of human relationships, c) the need for participation at all levels of employment and d) the importance of sharing the rewards of success." This focus on employees was selected to highlight an AR reporting the 67th year of consecutive dividends, 4th year of outstanding earnings growth and ROI, the 3rd stock split since '88.

So simple, so obvious. . .then why so rare? Don't business schools teach any longer that management is "getting things done with people"?

EMPLOYEE LOYALTY AND MORALE CAN BE EVERYTHING!

The history of the Tower of London is a case study: "Nothing was lacking to make it an impregnable fortress except that **the readiness of the defenders to fight still mattered more than the strength of the defenses**. During the Peasants Revolt of 1381, the garrison dared not resist. Again during the War of the Roses, after being besieged and bombarded, the garrison preferred to surrender on conditions."

NEW INTERNAL RELATIONS COMPACT: GIVE EMPLOYEES RESPONSIBILITY FOR STAYING INFORMED, THEN STOP BOMBARDING THEM

Can we stop treating the members of our organizations like grade school kids – giving them the same message over and over, via several media, to be sure they've gotten it? This long held tenet assumes either they're so little interested, or so ignorant, they must be spoon fed – in fact, overfed. First a memo, then an item in the newsletter, then a bulletin board notice, then supervisors talking it up and on and on.

This becomes the antithesis of One Clear Voice since often the wording of the multiple messages will be different, thus open to different interpretations. Doing it another way has the added benefit of eliminating some of the clutter of overcommunication.

A NEW PARADIGM: TREAT 'EM AS ADULTS

- A. Put major emphasis on the method every study shows employees prefer – getting **communication directly from supervisors or team leaders**.
 - This recognizes managers' new role, not as bosses looking over workers' shoulders, but as communication links, coaches, trainers.
 - How well they do becomes a key in performance evaluations.
- B. **Charge employees with the *responsibility* for staying informed** – but with a payoff for them:
 - The organization will transmit messages once, with perhaps an occasional reminder, and drop the bombardment.
 - For their part, employees will be held responsible for staying informed, and for any mistakes resulting from their failure to do so.

THE RESULTING IDEAL, INTEGRATED, INTERNAL COMMUNICATIONS SYSTEM

1. **Supervisor or team leader as primary source of two-way communication.** This requires enunciation as a formal policy. Supervisors must work out how to handle information transfer to employees who are absent, miss meetings, etc. PR's role is to train (continually) in effective interpersonal communication, conflict management, listening, open systems.
2. **Publication of record.** Issued as needed, covering need-to-know info. For brevity and reader-friendliness, style may be short scanable items, providing "headliner+lead" content; then referring readers to the source for more info, rather than laboriously carrying each article to its full conclusion. This allows those needing more depth to seek it; charting inquiries to the sources becomes a behavioral readership measurement.

3. **Meeting networks to announce/discuss major initiatives or changes.** Senior execs communicate the big topics directly, then answer questions. Within a few days, every employee (or in large organizations, every supervisor) will have gotten the message direct from the top, in a participative way. Meetings also facilitate lateral communication.
4. **Some reminder system** is required for pre-announced events, e.g. activities or deadlines. Busy people do forget. Sandwich boards at entrances, banners in parking lots, posters in rest rooms, etc. To be effective they must be limited to the day or day before, then taken down.
5. **A red alert method** may be needed for emergency or fast-breaking info. Special bright color memo sheets, rest room notices work well.

Is a managerial newsletter essential? Many organizations think so – to inform supervisors what they must communicate to their staffs, or to provide tips and training on how to handle two-way communication. Brevity is key here. Managerial meetings and formal training work better for some.

SOLICITING FEEDBACK & DIALOGUE; COVERING THE SOCIAL SIDE OF WORKLIFE

6. **Feedback methods that are truly effective** are not plentiful. Under the new compact where employees take responsibility, voluntarism is probably a key ingredient. a) To get *constructive suggestions* that can't be shortstopped by middle managers, "What's in the Way" and "Lunch With..." programs get high marks (prr 1/13/92). b) If *catharsis* is what's needed, suggestion boxes may do. c) "*Face to Face*" systems have managers sit 1-on-1 with each employee every quarter or year. d) *Embattled organizations* often create ombudsmen positions or use internal hotlines.
7. **Employee annual reports or annual meetings** reinforce the strategy of treating them as adults, as partners in the enterprise who will do what's needed when they're invited to be involved.
8. **Whether and how to distribute social info in the workplace?** Research shows that employee publications cannot cover "babies and bowling scores" in timely fashion – the grapevine reaches those who care much faster. What's appreciated is not the news but *recognition*. Localized bulletin boards may be most efficient, perhaps in each work unit. This allows work groups to handle it for themselves, as they see fit – another example of leaving responsibility to employees.
9. **Employee orientation begins the compact** by establishing responsibility and explaining the communications mix. **Employee handbooks** codify the system for reference. Audiotapes for those who spend time in vehicles or prefer tapes, tv magazines for use in meetings – these and other forms may or may not fit now. Departmental newsletters remain the enigma, since they are often villains of overcommunication and managerial ego.

THE CRUX: Getting operations info to supervisors so they can pass it on.

LABOR DAY PR CHALLENGE: WORK AND FAMILY LIFE IMBALANCE

This may *sound* like an employee relations issue. But it affects marketing, public affairs, community relations, even investor relations. And the overwhelming time crunch of daily life is paining people so badly they are losing the ability and interest to **give attention to messages, appeals, even relationships**. This systemic change has been long noted – but today poses a crisis for all organizations, and for the very basis of pr activities.

IMPACT INSIDE ORGANIZATIONS

Even in a time of “rightsizing,” employers are challenged to meet employees’ needs. Because many have failed, government is getting involved – making this a major public affairs concern:

- 14 states have mandated parental leave; 4 include time off to care for elderly relatives, also for the birth or adoption of children.
- 30 others have leave bills in various stages of the legislative process, reveals “Work And Family Report” from National Employee Services and Recreation Association.
- In the next 10 years, 2/3rd of new labor force entrants will be women; 3/4th of them will become pregnant during their working years. More than half will return to work before their children turn one.

This situation is permanent, not cyclical. Presently 6.6 million dependent elders over 65 need assistance from others. Number is expected to reach 9 million by 2000. As babyboomers age, 19 million persons will become dependent by 2040.

Never has time been at such a premium. Jobs require longer hours. Families have two or more workers. Kids and parents need care. Innumerable other causes or interests have even the retired overorganized and overbusy.

FAMILY CONCERNS MUST BE ORGANIZATIONAL CONCERNS

A study by Fortune found that if employees have difficulty finding or maintaining child/elder care, they are a) more likely to be absent, b) experience

more stress, c) suffer from increased health problems. The average employee is absent 7-9 days a year, with half of these absences caused by family problems.

Another study, by Coors, found 36% of employees reported reduced productivity due to co-workers’ childcare problems.

THESE DAUNTING FACTS DEMAND LEADERSHIP BY PR

The reason is basic: they threaten critical relationships – and change the way communications must be planned.

1. **Practitioners have a practical interest** in championing serious policies that adapt organizations to the family needs of employees: pr problems result otherwise.
2. **In the marketplace**, studies show employee policies is the #1 ingredient in perceptions of organizations (and their products/services) as socially responsible, on a par with community relations activity and environmental sensitivity (pr 9/26/88).
3. **In investor relations** there's growing pressure against insensitive companies, in messy, time-consuming proxy issues and negative press attacks.
4. **Most pr communication is still in the mass mode**, despite all the evidence of its decreasing capability. Personal modes are rising, including constituency relations externally and support for supervisor-to-employee communication internally – but only among the leading organizations and practitioners. As a field, pr thumbs its nose at what's happening and goes merrily on using one-way, primarily print, media.
5. **PR writing is still largely paragraphic** – often long, intricate paragraphs. What works is 1,2,3 or A,B,C; charts and graphs; bullets, etc. Overloaded audiences (find one that isn't these days) have neither time nor inclination to pour through paragraphic matter and organize the material presented to them. Reader friendly material does this job for them.

What an opportunity for pr to add super value to organizations.

BOOK DOCUMENTS PROBLEM, SUGGESTS SOLUTIONS

“An extraordinary
social transformation

with profound repercussions on every facet of American society has occurred, yet our society has yet to come to terms with this fundamental reconfiguration of women's lives,” says Phyllis Moen in “Women's Two Roles: A Contemporary Dilemma” (Auburn House, 172 pgs). Moen is director of the Cornell U Life Course Institute with a joint appointment in human development and family studies and sociology. Moen examines how women's participation in the labor force is required to sustain the country's productivity, competitiveness and standard of living.

Her conclusions: **By providing family-friendly policies and programs**, organizations can:
a) reduce employee turnover and absenteeism, b) improve productivity because of reduced employee stress, c) policies benefit men as well as women. More family responsibilities are being shared by men because 60% have wives who work outside the home. And research shows men and women experience the same work and family conflicts as family responsibilities increase.

DIAGNOSTIC TOOL IDENTIFIES BLOCKS IN ORGANIZATIONAL CULTURE

Customer satisfaction and Quality programs, to name two examples, depend on solid relationships and continuous communication (pr 6/24/91). In turn, relationships and communication are kept strong when organizational culture actively encourages them.

Taken from the large literature on culture, here's a diagnostic tool to identify the logjams – those areas of 1) policy, 2) managerial style or attitude and 3) employee behavior that work against relationship-building and effective communication.

1. To what extent are mission/vision/values alive and lived?

- *Do managers and staff use them in decisionmaking?*
- *Are they motherhood statements without application?*
- *Are they constantly cited and recited so everyone is aware of their purpose in the organization and understands their meaning and implication?*

2. Is risk-taking encourage or discouraged?

- *Is policy same at all levels?*
- *In risk-adverse groups, is it staff or managers that are fearful?*
- *Is there a sense of prudent balance, to know when the organization can go too far in risk-taking?*

3. Is power shared through participative decisionmaking?

- *Do managers exhibit trust in staff, and vice versa?*
- *Do people generally seem to trust one another regardless of level?*
- *Are people willing to challenge ideas and suggestions, and listened to when they do?*

4. Is the organizational structure flat or hierarchical?

- *How much lateral activity occurs, or is it all upward or downward?*
- *If hierarchical, are employees comfortable that it makes sense?*
- *If flat, are boundaries clear or is turfing prevalent?*

5. Do policies mirror behavior?

- *Is encouragement of teamwork debased by performance evaluations that mainly reward individual effort?*
- *Are policies consistently applied at all levels and sectors?*

6. Is workplace democracy in place or an aspiration?

- *Are there executive dining rooms, parking slots and rest rooms?*
- *Do managers call staff by first names but expect to be addressed as Mr. or Mrs. _____*

7. What is the evaluation and reward system?

- *Are rewards spread evenly across all levels and given fairly and impartially?*
- *Do employees evaluate managers as well as managers evaluating employees?*
- *Do evaluations reflect the real goals and mission of the organization?*

Diagnostics like this are finding increasing use as counseling tools – by providing a framework for discussing complicated situations. They seem to be particularly acceptable to managers because they are framed as **evaluation devices**.

8. Is a proactive training program in place and valued?

- *Is training done regularly, not just in response to a problem?*
- *Are cross training and upward training important to management and staff?*
- *Do senior managers pilot courses or have their own training programs?*

ACTIONABLE CORPORATE CULTURE

Most approaches to strengthening or changing culture concentrate on describing

the culture or on the processes that form it. This academic view is valuable background – but gives the manager little to work with in a practical sense.

The real questions are: What specifically do I look for to know *concretely* whether change will be beneficial? What *exactly* should be changed? This series of queries form a hierarchy of attributes and behaviors, policies and actions that can show management where to look – then *specifically* what to change or strengthen.

Each query involves three elements: 1) some communication requirement; 2) potential to make/break relationships; 3) an area of responsibility or opportunity for practitioners.

Vol.35 No.40
October 19, 1992

EMPLOYEES SPEAKING WITH ONE CLEAR VOICE ARE VITAL

... even for national and international organizations that may think they're beyond the reach of networks and grapevines. They aren't; reputation is more than ever a word-of-mouth phenomenon as formal media become less trusted. Items:

- Communication is so thorough and quick that the world really is small and an employee's badmouthing can reach from St. John to San Diego;
 - A metro hospital's research found over half the population in its service area knew at least one employee personally;
 - Employees do talk to media, politicians, regulators. . .often in the normal course of business, maybe without knowing who they are;
 - Whistleblowers and other insiders have a hero's credibility and clout.
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Vol.36 No.4
January 25, 1993

MODEL FOR EMPLOYEE PARTICIPATION AND OUTREACH PROGRAMS

Who's Involved	Hand-picked 5%	Self-selecting 5-10%	Remaining 85%
Who Do They Contact	Targeted opinion leaders	Members of civic, community and professional organizations	Friends, family neighbors
Program Elements	Opinion leader contact (Ambassador or Constituency Relations programs); Speakers Bureau (key audiences)	Sponsored memberships, volunteer projects; Speakers Bureau (local); Issue anticipation teams; Letters to the editor	Self and family education
Internal Outcomes	Build one-on-one relationships; Gather rich data direct from movers and shakers	Employees more <u>visible</u> ; Help monitor environment	Employees become educated; Develop confidence in responding to causal comments and questions
External Outcomes	Opinion leaders use contacts as knowledgeable sources of info; See organization as willing to listen	Employees seen as willing, active, involved; Publics become more willing to trust and support the organization	Employees seen as informed and participating; Aware of realities; Team players
Tools	Training; Briefing Books; Database to take contact results; Program coordinator	Continuing educational courses; Meetings; Project leaders	Newsletter articles; Wallet-card messages; Videos; Phone stickers
Specific Incentives	Performance appraisals; Self-esteem	Letters in personnel file; Annual recognition event	Awards (t-shirts, hats, mugs)

WHY NO OTHER PROGRAMMING CAN EQUAL THESE IN IMPACT:

1. **You could also call this a model for One Clear Voice communications.** It enforces organization and prioritizing of both outbound messages and key internal messages. No other factor has been identified as doing more damage than mixed messages.
2. **It encourages lateral communication** – the missing ingredient in most programs, according to research. Most organizations still think in terms of top-down and bottom-up communication. But in an era of decentralization, decisions pushed ever downward and empowerment, the most vital channel is lateral.
3. **It embodies the principles of empowerment, team tasking** and other emerging values.
4. **Most powerfully, it shows publics the organization's behavior, not more words.** Employees – who, after all, *are* the organization – are caught in the act of *doing things* that demonstrate they are valued and in the mainstream of activities; and that they are active players in the community or industry.
5. **It lets employees at all levels work as teams** – *the* most important ingredient in building successful organizations today.
6. **It offers true motivational rewards**, not hygiene (as defined by Herzberg), of learning, stretching, being in the spotlight, job enrichment, being where the action is. It also helps select and prepare a new cadre of emerging managers and executives – by *training them in the public policy and relationship side of organizational effort*.
7. **It reinforces that the real bottom line is relationship building.**
8. **It builds relationships with both internal and external publics strategically and simultaneously** – to achieve efficiency and synergy. Hand pick the 5% of employees most suited for the direct contact role. Another 5-10% will self select. The remaining 85% become the 3rd group. Each group will have its own program (see preceding chart).

In organizations of some size and complexity, these percentage breakdowns are proving quite accurate, in addition to being practical targets – i.e. about the numbers employee outreach programs can handle.

Result is a relationship-oriented organization of actively involved employees who can speak knowledgeably about the organization – internally with other employees, externally with opinion leaders, key publics, families, neighbors, etc.

Vol.36 No.19
May 10, 1993

CONFERENCE BOARD STUDY: VOLUNTEER PROGRAMS "POWERFUL"

"Corporate volunteer programs have turned out to be an unexpectedly powerful resource for the companies sponsoring them," says Leon Martel, senior vp-research. Which shows again that executives and their information sources are – not unexpectedly – behind the curve of what practitioners know from actual practice, since personalized programs like this have been the forefront of pr for some time.

"In encouraging the uniquely American trait of helping others, these companies have helped themselves." Major findings from a recent study CB did with The Points of Light Foundation:

- 77% of companies surveyed say volunteer programs **benefit corporate strategic goals**;
- 80% agree that volunteer programs **improve employee retention and enhance training**;
- 90% say volunteer programs **build teamwork skills, improve morale, attract better employees**.

Because they forward the strategic goals, most mature volunteer programs have become well-integrated within the corporate structure.

- 50% of respondents have made community service a **part of their company's mission statement**; 31% use volunteer programs as part of their strategy to address critical business issues.
- More than 50% acknowledge a **connection between volunteer programs and profitability**. An even *larger* percentage registered *stronger* agreement to factors that directly affect profitability, including improved morale and better teamwork.

The importance of these factors in attracting and retaining quality employees has allowed volunteer programs to survive and thrive through restructuring and downsizing. Respondents agree that **in uncertain times, people have a greater need to do something good and meaningful**.

454 executives responded. In-depth interviews were conducted with 30 and on-site visits to a smaller number. Follow-up interviews with financial and executive officers and public and community relations directors supplemented survey results. ("Corporate Volunteer Programs: Benefits to Business" – report #1029, CB 845 Third Ave, NYC 10022; 212/759-0900)

HOW LATEST MANAGEMENT FAD, REENGINEERING, AFFECTS PR

Start with the fact that none of the long sequence of fads – 50+ since the 50s – offers much of anything new. Each is a **repackaging of basic, often commonsensical ideas** by one or more management consultants for the primary purposes of promoting their practices and selling their book(s).

The Quality movement was and is people-friendly, and thus an opportunity for pr. Its underlying theme is a) continuous communication to b) build relationships that will c) enable the organization to deliver quality products or services d) in a way that satisfies customers. What it added was an emphasis on measurement to ascertain that this was occurring.

Reengineering has some of the longtime pr philosophy, also, such as cooperation instead of turfing, individual decisionmaking responsibility instead of over-the-shoulder supervisors, self-managing work teams – all old ideas long espoused but little practiced. In addition:

- **At heart, reengineering is zero-based restructuring.** Not tinkering with the present way of doing things. But starting from scratch and seeking the best way – whatever upheaval that brings. If we were just starting the organization, how would we do things?
- **Its stimulus is the renewed drive to increase productivity.** Many in pr (see prr 1/4/82) argued against the belief of engineers and economists that hi tech machines would improve productivity – since people still operate or program them. Thus people must become more productive by working *smarter not harder*. Reengineering faces this reality and in that way reinforces pr/s vital motivation and behavior-change role.
- **Its emphasis on eliminating narrow specialists** and substituting people broadly skilled (and trained) in many tasks – the very generalists many pr leaders have been calling for – could particularly impact pr departments.
- **Its major contribution is taking most of the good ideas of preceding fads and giving them unified application.** As the Wharton School dean told the Washington Post, “It integrates a number of ideas that have been around for a number of years. What’s new is that it insists you do them all simultaneously.”
- **When successful, it ends up achieving the original goal of organizational redesign, QWL (Quality of Work Life).** Jobs are redesigned and enriched, workers are their own bosses, pay is up, turnover down, organizations meet their financial and other goals. Individual success is measured not in climbing the ladder, but in bonuses for achievement and in challenging, meaningful work. Those objectives were first formulated by the 30s labor movement prophets and the Tavistock OD group’s wartime endeavors in the Welsh coal mines.

Managers, being slow learners where human nature is concerned, will need more pr counsel than ever as they tackle this one.

Saturn, GM's crack at reengineering that, among other things, put set, non-dickering prices on its cars, illustrates how the process may affect pr strategy. Its recent recall of 350,000 cars was turned into a pr opportunity to demonstrate customer service. A spokesman said that despite the obvious angst, "We're smiling because we're doing the right thing."

¶Of Related Interest:

A SIMPLE MINDED QUESTION . . . AND CALL FOR HELP!

- A. **The solution to our problems is to grow the economy**, say the government, Wall Street, economists, CEOs, everybody.
- B. If all the restructuring, reorganization, downsizing etc. end up **laying off workers and reducing profits** and other bottomlines, how are they contributing to this solution?
- C. **Every job lost harms, not helps, the economy** – right? Remember Henry Ford II's invitation to the UAW's Walter Reuther to visit a new automated plant. Ford showed him around, carefully noting how few people it took to operate the factory. "Well, Walter," he crowed, "where are your workers?" Reuther replied, "Wrong question, Henry. Where are your customers?"
- D. **Only employed workers can buy cars, or anything else.** Global competition is cited as the driver of reducing costs – which today always means reducing heads. North American Free Trade Agreement provides a glimpse of the probable future: of every five children born in Mexico (with one of the highest population growth rates in the world), only one will find a job.
- E. **The outlook appears dire.** PR pros are the ones who must explain all this to employees and external publics. Will someone please give us some sensible, maybe even hopeful responses to the fears wracking these key publics?

Eminently successful P&G announces it had big losses for the quarter and year "**due to costs tied to restructuring the company.**" It will lay off 13,000 and close 30 plants. Without the restructuring, it would have earned 47 cents per share. So who's *really* paying for the restructure? Is it needed, or "the current thing to do"? Management says it's an investment, which will pay off in future. Does this mean long range planning is in at last and short term, profits-per-quarter is now behind us?

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NEW INTERNAL COMMUNICATIONS STRATEGY IS TAKING HOLD

Long-predicted move away from the memo/publication/bulletin method of disseminating organizational info is finding managerial support – to the extent of changing the role of supervisors and managers. Makes sense:

If communication is what binds a group of people together and makes them into a producing organization	And if face-to-face is what works, and what employees want – primarily from immediate managers	Then the first and foremost role of managers is to be communication centers.
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Not “supervisors” or checker-uppers or look-over-the-shoulder types who make sure people are doing it right. In short, trainers and coaches, not bosses or cops. And above all **instigators and stimulators of three-way communication – up, down and sideways**. Lateral communication is most vital today – in flattened organizations working toward self-directed work groups – because it begets teamwork and cooperation across boundaries.

In many organizations, this culture change is driven by practitioners. In every organization, it is a great opportunity for practitioners.

Vol.37 No.22
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SUPERVISORS AS THE COMMUNICATORS; GETTING THEM STARTED

Every study known finds workers – all of us – prefer to get our on-the-job information from our immediate supervisors. These positions now emphasize three responsibilities:

1. *Being a three-way communication channel – up, down and laterally*
2. *Coaching, training, championing, cheerleading*
3. *Managing (not resolving) conflict, so the clash of ideas is encouraged but personal clashes are discouraged*

Organizational rhetoric urges adoption of this system, with many organizations dropping or reducing traditional internal communication modes – e.g. employee newsletters – to make it happen. But supervisors often resist or don't really know how. Here are two methods for instituting the behavior throughout an organization:

1. HAVE THEM FACILITATE RESEARCH

Research is essential in re-engineering internal communications to identify the

different ways different units or folks *want* to receive info. Such a survey ought to use a 100% sample of employees – partly as a means of *informing them* of the vital role of internal communications and their *responsibility* for it (prr 8/10/92). Therefore:

- A. Have **supervisors conduct group sessions** with their units to fill out the questionnaires. This means they have to explain the purpose and importance of the research, and how the findings will help make communications easier.
- B. To prepare supervisors for the sessions, **hold training courses** where they are presented with – and can discuss, debate, question – these topics.
- C. To the training agenda **add basic skill info** on conducting meetings, being a three-way communication channel, etc.
- D. Set deadlines for completing the sessions; involve selected supervisors in analyzing the findings and determining the redesigned communication system; have definite plans for a second series of meetings to present a draft of the new system to all employees. This should start to **obtain supervisor buy-in** – especially since their role as the key communicators will undoubtedly be part of the new system.

Without being aware of it or making it a big hassle, supervisors are *doing* the communications job.

2. HOLD AN ORGANIZATION-WIDE SERIES OF CASCADING MEETINGS

Find some critical topic, use it as a pilot for supervisors to practice being three-way communications channels in their units.

Follow steps similar to B, C and D above. To further make either method self-reinforcing, or a substitute for willpower, add **two evaluation documents** to the process:

1. **Filled out by supervisors**, telling how they feel the sessions went, what questions were asked most, whether they'd like help getting better at being a key communicator, etc.
2. **Filled out by attendees**, not to rate how well their supervisors performed (too early, could chill the process) but to determine what info they took away.

"SUPERVISOR" is an outmoded term in new wave organizations, where each person is accountable, and supervising – in the sense of looking over people's shoulders to check on what they're doing – is out. But no new word has come along to replace it, so we use the term to describe anyone who "manages" others or coordinates a group.

"FOOT IN THE DOOR" describes these strategies – the second of five steps in motivating behavior change in organizations (pr 1/2/89): 1) *positive reinforcement* builds self-confidence, 2) *foot in the door* gets them practicing the behavior, 3) *motivation* techniques retain the behavior, 4) *role models* reinforce and harden the behavior, 5) *culture change* brings social acceptance.

INTERNAL COMMUNICATION NOW ON TWO LEVELS – BOTH FACE-TO-FACE

There appears to be little resistance left to the strategy of supervisor-as-communicator – except that in teaming organizations, where everyone is empowered and accountable, literal “supervisors” are obsolete. “Team leader” is the probable replacement term, reflecting a new mode of operation.

An equally important shift has not been heralded. It is widely practiced, without enunciating its profound meaning. That is the face-to-face communication becoming universal for CEOs and senior managers. Town halls, “lunch withs,” departmental talk-outs and similar open forums with employees are everywhere.

TWO-LEVEL STRATEGY ESSENTIAL

Meeting the full communication needs of an organization requires:

A. **Need-to-know, job related information, plus explaining local impact of the vision.** . . by “supervisors. . . direct and face-to-face.”

- Replaces or in concert with employee publications, etc.

B. **Symbolic reinforcement of need-to-know, plus championing the vision.** . . by CEO and other senior managers. . . direct and/or group and face-to-face.

- Sometimes moves to videoconferencing, is the driving force behind split-screen computer development and other “distance” technologies.
- Includes the danger-strewn corollary of “walking the talk” in which senior managers’ actions – individually in decisionmaking and as a group in policy-setting – win or lose employee adherence to vision and goals.

Though no research is evident on the subject, it’s clear category two is often overlooked or under-attended to – even in organizations moving ahead on making supervisors the main internal communications medium.

Each of these trends supports what research has found for decades:

- a) Employees want to get necessary information direct from their supervisors;
- b) The first topic of interest to them is where the organization is headed, which they want to hear about from those who set the strategies.

WHAT'S NEW IS RECOGNITION OF SENIOR MANAGEMENT'S SYMBOLIC ROLE

Or perhaps a better way to explain it is that, while this has always been true, the current work environment will not tolerate hypocrites. The bemoaned loss of confidence in management can usually be traced here.

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CASCADING MEETINGS GET KEY INFORMATION TO EMPLOYEES FACE - TO - FACE

The way most employees want to get it. Cascades work like this:

1. **Senior management agrees on objectives and message points.** Presentation materials are developed by pr staff et al.
 2. **Senior management meets with mid-management** to deliver the information. Mid-managers are given materials and two survey response forms, one for them and one for their employees, to feedback how the info was received (see pr 5/30/94).
 3. **Each mid-manager meets with his or her employees**, presents and discusses the info, uses the materials, then hands out survey forms. All fill out the forms and return them to pr, where an analysis can be done – to determine program's effectiveness, whether employees understood the info, their concerns and similar.
-

First-of-the-Year Issue

INFO HIWAY ISN'T THE REVOLUTION, SERVING FRONTLINERS IS

Computer mania seems to have overtaken pr – but the real revolution isn't electronic communication. The reasons quickly become clear if the profession will think about its research base rather than follow the crowd:

1. **John Naisbett's dictum about "hi tech, hi touch" has not changed**, because human nature hasn't. Above all, we are social animals. That – expressed in the ability to work together as groups – is why *homo sapiens* has survived while far fiercer competitors like the sabertooth tiger didn't. We could cooperate in teams to do them in.
2. **Electronic communication is still just that, communication.**
 - Research has long shown people ultimately make decisions and undertake actions based on relationships (peer interactions), not just information. While communication is important to nurturing relationships, *electronic* communication mainly transfers information.
 - Such impersonal information transfer rarely leads to productive *relationships* – any more than communicating in print, audio or video did. It cannot, since *trusting* relationships begin with face-to-face and require occasional eye contact, examination of body language, and the albeit-unconscious analysis of pheromones (yes, humans have them as well as animals).
3. **Electronic communication may offer important advantages, but is an incremental change – not a new way of life**, as some would like us to think (primarily those with something to sell!).

THE BOTTOM LINE

... is that electronic communication merely transfers **words and paragraphs** from printed page to computer screen. It still requires **reading**, so faces all the obstacles print does.

- In some ways, print may even have an advantage. A piece of paper can be put in a pile on your desk but it's still "there," nagging. Messages in a computer are totally invisible (and those who claim they cruise their files to be sure they've dealt with it all are very unconvincing – or else have more time available than most of us do).

What is truly revolutionary is when organizations including senior managers actually focus their energies on the front line workers who produce and deliver the products and services, starting with team leaders (formerly "supervisors"). Managers have responsibilities *to* them, not prerogatives *over* them.

WHY CHANGE BEGINS WITH THE NEW MANAGERIAL PARADIGM

The attention is going to glitzy, global electronic toys, but the problem to be solved remains inside the organization – employee and managerial communication and productive relationships.

1. Significant research and review of case after case suggests the Quality movement, re-engineering, downsizing et al have in final analysis been top-down programs which – if they've succeeded at all – have existed and been supported primarily at senior management level.
2. But managers are a tax on production. They don't themselves produce anything. Frontline workers do that – the folks who make, design, sell, deliver the product or service.
3. The “management” level that matters is the team leader (formerly “supervisor”) at this frontline level.

Everyone else in the organization exists to support them.

SUPPORTING RESEARCH SHOWS WHY ONLY THIS APPROACH WILL WORK

1. **Loyalty Studies.** Most workers are **loyal first to their work unit, immediate colleagues and team leader.** Study by Billings & Becker (pr 2/28/94) found this local commitment often more powerful than commitment to the overall organization, since that is vague in behavioral terms. Other studies suggest commitment to, say, GM, GE, the Army, the University is really only shorthand anyway for commitment to one's own portion of the whole.
2. **The Pelz Effect.** In their book *Communicating Change* – one of the most sensible pr books in years – the Larkins reminded practitioners of 1952 research that is particularly relevant today. Pelz set out to discover what managerial style was most effective for first-line supervisors with their employees. What he found was a force far stronger than any style:

The defining factor in whether workers have confidence in and will follow a supervisor is whether s/he is plugged in, has a voice in decisions, and is listened to by senior managers.

Subsequent studies show working for such “powerful” supervisors increases:

- A. *trust* in the supervisor
- B. *desire* for communication with him or her
- C. *belief* that the info they impart is accurate

It's like the Army, where **the leaders that really matter are the sergeants.** They run the show. Generals wade ashore for the tv cameras, in a symbolic charade – but the sergeants led the troops that took the beach!

4. **Communications Research Findings.** Virtually every organizational or industry study ever done finds employees' preferred source of need-to-know, and even nice-to-know, info is their immediate supervisor/team leader. Most recent TPFC/IABC study rates this at 90%, and the #2 preference, small group meetings, at 59% – to point up the primacy of face-to-face communication with supervisors.

RESULTING STRATEGY is clear. Senior managers must be servant-leaders of frontline managers and their teams – not their “bosses” or perk-laden “superiors.” Yet who would deny that, in the majority of organizations, despite all the “programs” and rhetoric, the old hierarchical system still reigns.

THE NEW MANAGERIAL PARADIGM

Until now, managers and supervisors were selected primarily for their skill and knowledge in the work their unit performed	With workers empowered and accountable, this is no longer necessary. In fact, it's counter-productive	Checking up on work done by others is obsolete, so managers/supervisors are now team leaders ...with a new focus
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NEW FOCUS IS AN INTERNAL COMMUNICATIONS STRATEGY

If communication is what binds a group of people together and makes them into a producing organization	And if face-to-face is what employees want – primarily from their immediate team leaders	Then the first and foremost role of all “managers” is to be communication centers
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NEW PARADIGM REQUIRES A NEW EMPHASIS

1. Three-way communication channel: up, down, laterally	1. Coach, trainer, champion, cheerleader	3. Conflict manager (not resolver)
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The number one opportunity for practitioners is therefore:

- showing top managers how their own interests are better satisfied
- by treating frontliners as their customers, not “my people.”

A CASE PERSPECTIVE:

One suspects at least a reason Bob Allen split AT&T was the possibly insoluble difficulty of getting 317,000 employees around the globe connected – as he was known to feel internal relations/communication was one of the company's biggest challenges.

- Won't e-mail, the net, the web solve this?
- Can it? Does it capture the new managerial paradigm, worker loyalty, and the Pelz effect? Or is it just an electronic version of the company publication, the memo system, the bullboard?

CONCLUSION

There is no magic bullet, no easy way out. Mass publicity wasn't one, electronic communications isn't either. It may end up bringing great advantages – such as instantaneous interactive communication despite geography. Of course, we already have long distance phone and teleconferencing.... The situation appears to be that we are forced to do the hard work: Getting to know people, and earning their trust. Cyberspace won't do that.

Vol.39 No.21
May 20, 1996

NEXT: AFTER RE-ENGINEERING LOOMS DEEPER WORKPLACE CHANGE

There is a stirring among divergent people and institutions that seeks authenticity, soul, spirit, community, meaningful work...whatever words you'd like to attach to it. The rumbling has been around for years, but its reach and application are growing (see pr 11/27/95 & 2/26/96).

Two recently released books by prestigious management consultants explain what is a true revolution: *On Becoming a Servant Leader* by Robert Greenleaf; and *Stewardship: Choosing Service Over Self-Interest* by Peter Block.

Given the downsizing on one hand vs. huge CEO salaries and Wall Street bonuses on the other; depersonalization of work; sheer increase of workloads etc etc. And the low morale, each-person-for-him/herself, distrust and lack of morality they have spawned, **long range organizational health and prosperity** demand a new, interdependent, team approach.

So pronounced is this feeling that mainstream politics (Pat Buchanan and now Dole and Clinton), old line newspaper columnists, news mag front pages and letters-to-the-editor are sounding the call. What an opportunity for pr to lead a change that will benefit organizations, workers and society.

Vol.41 No.1
January 5, 1998

PROGRESS: STUDIES FIND EMPLOYEE RELATIONS NOW 2ND 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 organizations 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.

- 4th and final report of *Corporate Communications Benchmark 1997* from Northwestern U, ORC and Edelman PR (pr 3/31/97, 6/16/97, 8/25/97) looks at six functional areas as ranked by respondents in order of importance in achieving *corporate* goals and objectives): 1) financial communications and investor relations; 2) **employee communications**; 3) media relations; 4) crisis/issues management; 5) corporate branding; 6) public/government affairs.
- Tom Harris/Impulse Research found internal communication second only to media relations (by 2%).

BUT REPORTED EMPLOYEE COMMUNICATION PRACTICES ARE BEWILDERING

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

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

But the Northwestern study reported:

1. **Employee newsletter/magazine** is still the favored means of employee communication.
2. ***Communication between employee and supervisor or manager was not mentioned by a single participant.*** 50+% indicated only moderate levels of involvement by supervisors and mid-level managers in communicating corporate goals and strategies to employees; 30% did indicate high levels and 20% low levels of this form of employee communication. Yet report states:
 - ¶ “Survey data indicate there is a positive relationship between higher levels of involvement by supervisors and mid-level managers in the employee communications process and the overall effectiveness of employee communications programs.
 - ¶ “Furthermore, those companies that provide supervisors and managers with tools such as specific messages or corporate goals, communications training, and pre-packaged meeting content (such as videos, scripting, hand-outs, discussion guides, etc.) are also much more effective at having messages delivered and 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.
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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-page 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 and society, the effects of downsizing and diminished employee loyalty as well as the continual struggle to find a balance between worklife and homelife. Offers several strategies for re-engaging employees.
- **“Trends & Issues Affecting Employees”** – extensive discussion of pr's role in re-engineering and organizational change. Close attention is given to trends toward participative management and increased employee involvement. Numerous current workplace issues are also covered, including work/family concerns, diversity, women, sexual harassment, ethics and the growing interest in soul and spirit in the workplace.
- **“Tactics For & About Communicating Internally”** – practical methods of and recommendations for implementing trusted two-way communication between management and employees. **Case studies** illustrating tactics are abundant in this, as well as the other sections.

(Available from pr; \$80; 603/778-0514)

WHY PRACTITIONERS MUST UNDERSTAND COMPETENCIES IDEA

Individual competencies are the applied skills, knowledge, abilities and behaviors of an organization's workers that are critical to its success. They serve as a **powerful symbolic or role-modeling communication vehicle** to focus all members of the organization on the skills and activities that create value and success. The many roles competencies play include:

- Articulating what the organization **values**
- Providing a **common language** for employees and managers to describe value creation
- Focusing on the **development of the individual** instead of on the organizational structure
- Linking **pay, promotions and growth** directly to what the organization values
- Guiding employees and managers to **what is expected** and how value is defined even in times of dramatic change and restructuring

Vol.42 No.1
January 4, 1999

First-of-the-Year Issue: A Millennium-Size Challenge

IN AN ERA OF MISTRUST AND SKEPTICISM, MAKING YOUR ORGANIZATION ONE THAT PEOPLE CAN TRUST IS THE ULTIMATE DIFFERENTIATOR

The problem at the base of nearly every pr case today is lack of trust.

- Workers don't trust managers
- Which is often deserved, since few managers seem to trust them
- Doctors don't trust healthcare administrators
- Faculty and scientists inherently distrust anyone in management or even support services – second class people to them
- Teachers and staff have little confidence in the fairness or even honesty of superintendents or school boards – finding them disingenuous at best
- Customers are bombarded with rhetoric about delivering satisfaction, but greeted with behaviors that don't
- Communities fear businesses located there will leave at any moment
- Almost nobody walks their talk

GOVERNMENT MISDEEDS STARTED THE TREND

Triggering events for public mistrust are well known:

Watergate, the Pentagon Papers case proving government lied about Vietnam, Iran-Contra, J.Edgar Hoover's FBI spying on Martin Luther King and others, political contributions seeming to skew the will of the people etc.

- To make it worse, the Reagan and Thatcher administrations promulgated the idea that government employees were incapable

THE RESPONSE is seen in demand for term limits, California's turn to referenda on subject after subject as symptom of voter mistrust in representative government, the rise of independent candidates. Jesse Ventura's election as governor of Minn is dramatic – but his predecessor broke from his party and won as an Independent also. Maine's Independent Gov. King just won a 2nd term, Vt's sole Congressman for several terms is Independent.

- **Distrust of others rebounds**, as ardent distrust raises questions about the persons who are untrusting. Case in point: Pew study in March found that today civil servants are trusted over the politicians who painted them as the bad guys by a gigantic 67% to 16%! (pr 3/23/98)

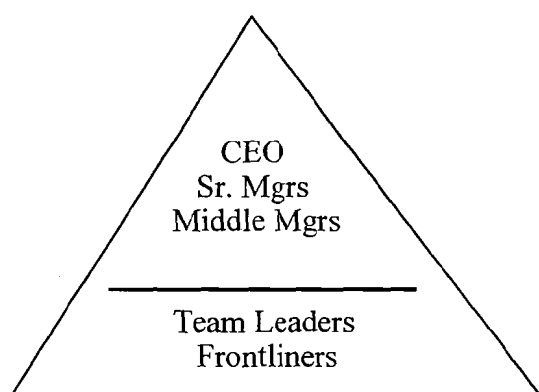
WALL STREET KEEPS MISTRUST GOING

Shareholders appear to believe management is easy and attack any executive team that doesn't deliver ever-increasing dividends or stock value. This puts tremendous pressure on management to act in expedient ways that destroy loyalty and trust. And this sets a managerial pattern that spreads across all sectors. The proverbial vicious cycle.

THE HARD TRUTH ABOUT TRUST: IT BEGINS INTERNALLY

Outmoded as it is – and trained managers know it is – the pyramid (below) is the descriptor of most organizations, with its hierarchies, silos and other flaws.

1. **If we dare to look at organizations realistically**, it is quickly apparent that the most important people are those at the bottom – the frontliners. They and only they make the product, deliver the service, sell the goods, provide essential support mechanisms. In short, *they* more than anyone *are* the organization. *Not* the CEO or COO or CFO or CIO or vp-pr or anyone else.
2. **In truth, if (as below) you draw a line above the frontline team leaders** (whether called supervisors, managers or whatever), everyone else is **overhead**. The top of the pyramid is *cost* not income-generating. That is, the other positions exist to support what the frontliners do.



A few years back, the primacy of frontliners was dramatically shown at the annual meeting of an automaker. A shareholder activist angrily asked why workers were getting a raise and shareholders weren't. "Because," replied the chairman, "they know how to make cars and you and I don't."

3. **Therefore, if management wants to earn trust**, it must acknowledge this truth – then formulate policies and processes that prove and continually symbolize it to the frontliners.
4. **This affects the trust level of external audiences also**, since the great bulk of contacts between any organization and its stakeholding publics takes place on a daily basis between frontliners and individual stakeholders.
5. **But the reality is** that frontliners are the lowest paid, least trained, least often consulted and least respected – fodder for cutbacks, downsizing, takeaways, while senior managers get huge stock options for doing such violence to the organization.

Now, were we talking about motivating trust??? Everyone wants it with customers, government agencies and other external publics – but this requires the hard effort of earning it first inside the organization.

NEW BOOK PROVES IT ALL OVER AGAIN AND TELLS HOW

Stanford Business School prof Jeffrey Pfeffer's *The Human Equation: Building Profits By Putting People First* (Harvard Business School Press) damns yet again the management strategy of doing things because "everyone else is doing it."

"First, it is almost impossible to earn above-normal, exceptional economic returns by doing what 'everyone else' is doing – prosaically put, you can't be 'normal' and expect 'abnormal' returns.

“Second, it is almost impossible to achieve some lasting competitive advantage simply by making purchases in the open market (i.e. outsourcing) – something that anyone can do.”

THE SEVEN PRACTICES THAT LEAD TO SUCCESS FOR ANY ORGANIZATION -- AND TO TRUST

What everyone can't do, so it is a competitive advantage, is put in place this list that emerges from Pfeffer's research:

1. Job security: permanent fulltime jobs
2. Careful hiring
3. Decentralization and teamwork
4. Good pay based on team, not individual, performance
5. Training, training, training!
6. Low differences in both status and pay
7. Systematic sharing of information (best practices, a learning organization etc)

RESULTS: RESEARCH SAYS IT IMPROVES PERFORMANCE IN ANY ORGANIZATION BY 40%

Why do it any other way, then? Why do these seven policies work so well? Three reasons, readily deduced from the seven practices above:

- A. **People work harder:** having control over one's work leads to commitment
- B. **They work smarter:** developing skills they can use on their present jobs
- C. **Empowerment and responsibility reduce management,** bureaucracy and other costs caused by an alienated workforce with adversarial relationships to management

One reviewer's summation of the book turns out to be a prime indicator of how to earn trust where it begins – between management and frontliners:

“The single most important factor in whether organizations succeed or not is the way they manage their people – not fancy growth strategies or modern technology.

“Unfortunately, managing people is what many are least good at.”

SECRECY DESTROYS TRUST; TRANSPARENCY BUILDS IT

During the worrisome days of the recent stock market fall – when Asia was on the skids and a rogue hedge fund nearly put confidence into a tailspin – money managers at one of those international crisis meetings were still divided whether transparent communication, aka telling the truth, was a wise policy.

Might scare people if they knew the facts, some argued. Translation: they're not smart enough to handle it. Considering how the "bright" financial minds, like fund managers, are spooked by even a shadow of a rumor, perhaps those arguing this way had a point. But not usually, and not for long.

MOYNIHAN SETTLES THE ARGUMENT

In *Secrecy*, the senator from NY traces the results of government secrecy policies. One

example: because the data was kept classified, no expert or academician could argue with CIA forecasts that USSR's economy was strong and about to surpass ours. There was much evidence the opposite was true – but no way to see the data. Result: between 1982 and 1988 the US "went on history's greatest peacetime weapons spending spree, transforming itself from the world's greatest creditor nation into the leading debtor" – the great National Debt still facing us.

- Transparency and the ability to check the data could have avoided this. Free democratic discussion works!
- Secrecy "erodes confidence" because mostly its purpose is to protect the reputations and careers of policymakers, notes the book.

For practitioners, the relevance is: Are there situations at your organization/client where confidence has been eroded and mistakes made in the foolish thought that it is even possible to keep secrets inside organizations today?

WHAT IS KNOWN ABOUT EARNING TRUST FOR ORGANIZATIONS?

STRATEGIES. Any prescriptive list sounds trite, but research and cases presented in pr in the 90s suggest these overall rules:

1. **Words, rhetoric, grandiose statements do not gain trust**
 - CEOs who want to promulgate such words *without realizing what total commitment to living them means* can destroy trust right down the organization
2. **Only symbolic actions – behavior and adhered-to policies – can**
 - Major reason why internal teams and task forces, along with community relations, volunteerism and similar social responsibility programs that get employees and execs rubbing elbows with one another and with opinion leaders and stakeholders are essential
3. **Building relationships** is the only way trust can be earned, say psychological studies
 - Letting stakeholders see us as people, and see *for themselves* that our behaviors do walk our talk
4. **Still, without some words to live by** – vision, values or guiding principles – neither internal nor external audiences have a ruler to measure an organization with

- Language, words, writing are still important; they just can't stand alone anymore (even on fancy Web pages, though that's a good place to feature them)
- Remember the power of Squibb Pharmaceutical's marvelous theme, in the days before there was an FDA to assure drug quality: *The priceless ingredient in every product is the honor and integrity of its maker*

TACTICS ALSO APPEAR VERY BASIC

Or is loss of trust in part because organizations moved away from old-fashioned virtues?

1. Face-to-face is the key. Nothing can replace it, as strategy list implies

- Practitioners' role in coaching team leaders and execs in this, plus preparing videos, charts, agendas and other presentation aids is now a top assignment (e.g. see [pr](#) 7/17/95)
- List of internal venues is long: MBWA, focus groups, Lunch With..., town halls, award presentations, employee annual meetings et al
- Externally, case after case shows how the toughest problems are resolved when execs and employees press the flesh with stakeholders – from winning fishermen's support for oil drilling to pipeline right-of-way issues (e.g. see [pr](#) 4/20/98)

2. Opinion leader support is vital. Only third party advocates bring trust to issues now – not the disputing parties

- The formal opinion leader list continues as PR Tool #1
- Formalized Constituency Relations, Envoy and Ambassador processes create third party advocates – they're "ally development" programs

TOP TRUST-BUILDERS AND TRUST-DESTROYERS FOR MANAGERS

- | | |
|---|--|
| 1. Communicates openly and honestly, without distorting info | 1. Acts more concerned about own welfare than anything else |
| 2. Shows confidence in people by treating them as skilled and competent | 2. Sends mixed messages so never know where s/he stands |
| 3. Listens and values what is heard, even though may not agree | 3. Avoids taking responsibility for actions |
| 4. Keeps promises and commitments | 4. Jumps to conclusions without checking the facts first |
| 5. Cooperates, looks for ways people can help each other | 5. Makes excuses or blames others when things don't work out |

– Survey on trust by Development Dimensions International, 1995

3. **Consistency is the basic ingredient in trust**

- We trust people with whom we don't agree when we can count on how they will respond to a situation or issue; they're consistent
- People we cannot trust are those who come down on all sides and we never know what they'll say or do
- Recommended research project: Read your organization's or CEO's pronouncements for three to five years back. Are they, above all, *consistent*?

4. **Patience is essential in building trust -- especially rebuilding it**

- A newly minted Statement of Guiding Principles doesn't take the organization back to square one, enabling it to start over with folks giving the benefit of doubt; bad history lingers

TWO FINAL THOUGHTS THAT MAY SET THE TRUST AGENDA NOW

1. **Public is particularly prone to distrust business – even more than government**

- Sept 1998 ORC research for GCI finds over half ready to conclude industry guilty of something if being investigated by government agencies
- Similarly, over half feel corporations are probably guilty when lawsuits are filed against them
- Concludes GCI's Litigation Communications Group: this is the "inordinate public opinion power of the 'bully pulpit' of government"

2. **Way to win employee commitment/trust now is helping with work/life balance**

Aon Consulting's 1998 America @ Work survey identified these drivers of workforce commitment as key among 17 such factors:

- Does management recognize the importance of personal and family life?
- Are employees allowed to balance the job and other parts of life?
- Does the organization encourage co-workers to support an employee's personal needs?

(See pr's 1997 First-of-the-Year Issue for Johnson & Johnson's work/life program)

Vol.44 No.13
March 26, 2001

IF NEGATIVE TALK FUELS RECESSION, EMPLOYERS CAN HELP AVOID ONE BY USING INTERNAL COM'NS TO GIVE THE FACTS

Classical economic theory is simply wrong, as any pr student or astute citizen can attest. It isn't econometric models, interest rates, stock prices – or even earnings reports and consumer confidence studies – that cause recessions or downturns. The causal factor is psychology – *how people respond*, and especially (since few of us truly understand these statistics, and many are frequently faulty) *how people are preconditioned to respond* by opinion leaders and trusted organizations.

Economics is pr, pure and simple. Or at least *economic behavior* is. Therefore, employers can help avoid a psychologically induced recession or hard landing by using a basic pr tactic.

1. **Provide employees with a balanced perspective** of what's really happening on a regular, almost daily, basis
 - When interest rates are raised or lowered, have the CFO, an economist or other acknowledged expert explain what it means – why was it done, and how will it likely impact the employer and the employee
 - Ditto when the stock market falls or is turbulent, consumer confidence studies show a decline, some economic or political observers make statements suggesting disaster ahead or everything's rosy
2. **Urge them to pass along this data** to family, relatives, friends, the church choir, the bridge club etc

Make them messengers of hope amidst a politico-media environment of fear and impending disaster. It is, of course, as unethical to overhype how good things really are as it was to claim the e-world meant never-ending boom times. The objective is to be objective, but a cup-half-full perspective is ok.

PRECEDENT 20 years ago Coors Brewing Co. found that a valuable win-win program an employer can offer workers is economic education. Through a series of courses and publications, employees got Economics 101 in a way that two objectives were achieved:

1. **Employees were better able to manage their personal finances**, thus making them more aware of job benefits but especially helping them concentrate on their work by alleviating financial worries
2. **The company could gain understanding of its decisions and policies more readily** from a workforce that had a grasp of the economics of running a highly competitive business

In an industry as hard fought as brewing, with a flat market and powerful domestic and import competitors, tough decisions must be made – regularly. Keeping the organizational family motivated even when things aren't rosy is vital to competing successfully. But if workers have unrealistic notions of how much profit or surplus an organization makes and what margins are, don't realize how waste and errors can be crippling, why financial markets must be served and why customers must come first in any circumstance – the organization is at a huge competitive disadvantage.

Coors' program was extremely successful. Other employers asked to import it and eventually it was spun off as a profit center. Phillips Petroleum had a similar program, as did others.

- **It's time to bring economic education back to the workplace.** A majority of today's workforce has never experienced a downturn. Despite higher education levels today, understanding of economic forces is not common. Yes, a campaign may cost money, or temporarily overshadow another effort – but with a nation riveted on the economic roller coaster, with lunchroom and water cooler conversations featuring it, management ignores this macro-societal influence at its peril. One can make a long list of ways it can debilitate the organization

FDR was right: We have nothing to fear but fear itself. His speech and follow-up campaign on this theme were milestones in pr history, and a major element in turning around the Great Depression. Now, pr in the workplace can save the greatest boom economy in history.

A few public statements from CEOs, CFOs and organizational economists giving a reasoned and balanced view wouldn't hurt, either.
